HOUSE OF REPRESENTATIVES—*Thursday, May 4, 1989*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As we gather on this National Day of Prayer to raise our voices with people from all over this land, we offer our gratitude, O God, for the rich blessings You have given to us. As those who have gone before, may we also build on the spiritual foundations of justice, righteousness, mercy, and peace. Gracious God, bless all the people of our Nation as each seeks to be faithful to the responsibilities of the present time. We come to this special day of prayer with thanksgiving for the gifts of the past and earnestly pray that Your spirit will lead us in all the days to come. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Indiana [Ms. LONG] kindly come forward and lead us in the Pledge of Allegiance?

Ms. LONG led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ADDITIONAL MAJORITY MEMBER TO SELECT COMMITTEE ON HUNGER

The SPEAKER. Pursuant to the provisions of section 103, House Resolution 84, 101st Congress, the Chair appoints the gentleman from Oregon [Mr. AUCOIN] as an additional majority member to the Select Committee on Hunger.

APPOINTMENT OF ADDITIONAL MINORITY MEMBER TO SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER. Pursuant to the provisions of section 303, House Resolution 84, 101st Congress, the Chair appoints the gentleman from Florida [Mr. GRANT] as an additional minority member to the Select Committee on Narcotics Abuse and Control.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will remind Members that there had been an agreement that we would go into the Committee of the Whole immediately upon our convening today and would not have speeches under the 1-minute rule.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1990

The SPEAKER. Pursuant to House Resolution 145 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, House Concurrent Resolution 106.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (House Concurrent Resolution 106) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, with Mr. APPLEGATE [Chairman pro tempore] in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 3, 1989, all time for general debate had expired.

Pursuant to House Resolution 145, the concurrent resolution is considered as having been read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 106 is as follows:

H. CON. RES. 106

Resolved by the House of Representatives (the Senate concurring), That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,065,525,000,000.
Fiscal year 1991: $1,144,675,000,000.
Fiscal year 1992: $1,216,450,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,350,925,000,000.
Fiscal year 1991: $1,470,125,000,000.
Fiscal year 1992: $1,547,075,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,165,250,000,000.
Fiscal year 1991: $1,232,725,000,000.
Fiscal year 1992: $1,281,275,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $99,725,000,000.
Fiscal year 1991: $88,050,000,000.
Fiscal year 1992: $64,825,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $776,325,000,000.
Fiscal year 1991: $831,775,000,000.
Fiscal year 1992: $884,350,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $5,800,000,000.
Fiscal year 1991: $6,200,000,000.
Fiscal year 1992: $6,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $69,925,000,000.
Fiscal year 1991: $75,200,000,000.
Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,061,175,000,000.
Fiscal year 1991: $1,157,800,000,000.
Fiscal year 1992: $1,214,050,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $945,175,000,000.
Fiscal year 1991: $1,001,075,000,000.
Fiscal year 1992: $1,040,400,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $168,850,000,000.
Fiscal year 1991: $169,300,000,000.
Fiscal year 1992: $156,050,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.
Fiscal year 1991: $3,374,100,000,000.
Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,025,000,000.

(B) New primary loan guarantee commitments, $107,325,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,425,000,000.

(B) New primary loan guarantee commitments, $114,875,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,150,000,000.

(B) New primary loan guarantee commitments, $119,700,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $305,500,000,000.

(B) Outlays, $299,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $319,175,000,000.

(B) Outlays, $310,175,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $332,500,000,000.

(B) Outlays, $322,425,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $18,300,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $1,775,000,000.

(D) New primary loan guarantee commitments, $6,425,000,000.

Fiscal year 1991:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $16,575,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $6,675,000,000.

Fiscal year 1992:

(A) New budget authority, $18,850,000,000.

(B) Outlays, $16,675,000,000.

(C) New direct loan obligations, $1,850,000,000.

(D) New primary loan guarantee commitments, $6,950,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1990:

(A) New budget authority, $14,425,000,000.

(B) Outlays, $14,125,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $15,075,000,000.

(B) Outlays, $14,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $15,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $6,025,000,000.

(B) Outlays, $3,950,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $4,375,000,000.

(C) New direct loan obligations, $2,250,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1990:

(A) New budget authority, $17,075,000,000.

(B) Outlays, $17,525,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $17,875,000,000.

(B) Outlays, $18,275,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $18,550,000,000.

(B) Outlays, $18,600,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1990:

(A) New budget authority, $18,050,000,000.

(B) Outlays, $14,975,000,000.

(C) New direct loan obligations, $10,050,000,000.

(D) New primary loan guarantee commitments, $5,400,000,000.

Fiscal year 1991:

(A) New budget authority, $20,350,000,000.

(B) Outlays, $16,350,000,000.

(C) New direct loan obligations, $10,225,000,000.

(D) New primary loan guarantee commitments, $5,475,000,000.

Fiscal year 1992:

(A) New budget authority, $21,075,000,000.

(B) Outlays, $15,725,000,000.

(C) New direct loan obligations, $9,675,000,000.

(D) New primary loan guarantee commitments, $5,425,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1990:

(A) New budget authority, $13,275,000,000.

(B) Outlays, $8,150,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $60,500,000,000.

Fiscal year 1991:

(A) New budget authority, $25,450,000,000.

(B) Outlays, $19,650,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $66,350,000,000.

Fiscal year 1992:

(A) New budget authority, $25,075,000,000.

(B) Outlays, $19,875,000,000.

(C) New direct loan obligations, $3,375,000,000.

(D) New primary loan guarantee commitments, $69,625,000,000.

(8) Transportation (400):

Fiscal year 1990:

(A) New budget authority, $29,850,000,000.

(B) Outlays, $29,025,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $30,550,000,000.

(B) Outlays, $29,750,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $31,700,000,000.

(B) Outlays, $30,825,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1990:

(A) New budget authority, $7,150,000,000.

(B) Outlays, $6,775,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

Fiscal year 1991:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $6,850,000,000.

(C) New direct loan obligations, $1,050,000,000.

(D) New primary loan guarantee commitments, $525,000,000.

Fiscal year 1992:

(A) New budget authority, $7,250,000,000.

(B) Outlays, $6,825,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $550,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1990:

(A) New budget authority, $42,025,000,000.

(B) Outlays, $39,075,000,000.

(C) New direct loan obligations, $25,000,000.

(D) New primary loan guarantee commitments, $13,125,000,000.

Fiscal year 1991:

(A) New budget authority, $43,375,000,000.

(B) Outlays, $42,500,000,000.

(C) New direct loan obligations, $25,000,000.

(D) New primary loan guarantee commitments, $13,550,000,000.

Fiscal year 1992:

(A) New budget authority, $44,325,000,000.

(B) Outlays, $43,800,000,000.

(C) New direct loan obligations, $25,000,000.

(D) New primary loan guarantee commitments, $13,850,000,000.

(11) Health (550):

Fiscal year 1990:

(A) New budget authority, $57,850,000,000.

(B) Outlays, $56,225,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $375,000,000.

Fiscal year 1991:

(A) New budget authority, $63,150,000,000.

(B) Outlays, $62,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

Fiscal year 1992:

(A) New budget authority, $69,350,000,000.

(B) Outlays, $68,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(12) Medicare (570):

Fiscal year 1990:

(A) New budget authority, $123,850,000,000.

(B) Outlays, $98,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $136,250,000,000.

(B) Outlays, $112,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $149,550,000,000.

(B) Outlays, $127,825,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1990:

(A) New budget authority, $185,700,000,000.

(B) Outlays, $145,650,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $217,425,000,000.

(B) Outlays, $155,600,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $220,800,000,000.

(B) Outlays, $164,725,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1990:

(A) New budget authority, $5,450,000,000.

(B) Outlays, $5,425,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $4,250,000,000.

(B) Outlays, $4,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $4,975,000,000.

(B) Outlays, $4,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1990:

(A) New budget authority, $31,000,000,000.

(B) Outlays, $29,800,000,000.

(C) New direct loan obligations, $825,000,000.

(D) New primary loan guarantee commitments, $21,000,000,000.

Fiscal year 1991:

(A) New budget authority, $32,100,000,000.

(B) Outlays, $31,550,000,000.

(C) New direct loan obligations, $750,000,000.

(D) New primary loan guarantee commitments, $21,900,000,000.

Fiscal year 1992:

(A) New budget authority, $33,100,000,000.

(B) Outlays, $32,675,000,000.

(C) New direct loan obligations, $700,000,000.

(D) New primary loan guarantee commitments, $22,900,000,000.

(16) Administration of Justice (750):

Fiscal year 1990:

(A) New budget authority, $10,400,000,000.

(B) Outlays, $9,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $11,550,000,000.

(B) Outlays, $11,475,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $12,025,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1990:

(A) New budget authority, $10,050,000,000.

(B) Outlays, $9,675,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $10,425,000,000.

(B) Outlays, $10,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $10,900,000,000.

(B) Outlays, $10,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1990:

(A) New budget authority, $197,550,000,000.

(B) Outlays, $197,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $214,150,000,000.

(B) Outlays, $214,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $226,650,000,000.

(B) Outlays, $226,650,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1990:

(A) New budget authority, $0.

(B) Outlays, −$19,275,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $0.

(B) Outlays, −$45,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $0.

(B) Outlays, −$65,925,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1990:

(A) New budget authority, −$32,125,000,000.

(B) Outlays, −$39,325,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, −$34,525,000,000.

(B) Outlays, −$34,875,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, −$35,000,000,000.

(B) Outlays, −$35,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

SENSE OF THE COMMITTEE ON THE BUDGET

SEC. 4. It is the intent of the Committee on the Budget of the House of Representatives that—

(1) Congress shall present the revenue portion of the reconciliation bill to the President at the same time as the spending reduction provisions of the reconciliation bill; and

(2) the specific measures composing the governmental receipts figure will be determined through the regular legislative and constitutional process, and agreements reached between the administration and the Committee on Ways and Means on revenue legislation reconciled pursuant to this agreement will be advanced legislatively when supported by the President of the United States.

RECONCILIATION

SEC. 5. (a) Not later than June 30, 1989, the committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b)(1) The House Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,155,000,000 in outlays in fiscal year 1991, and $1,072,000,000 in budget authority and $1,055,000,000 in outlays in fiscal year 1992.

(2) The House Committee on Banking, Finance, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in

section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $587,000,000 in outlays in fiscal year 1990, $0 in budget authority and $519,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $591,000,000 in outlays in fiscal year 1992.

(3) The House Committee on Energy and Commerce shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1990, $413,000,000 in budget authority and $2,713,000,000 in outlays in fiscal year 1991, and $426,000,000 in budget authority and $2,726,000,000 in outlays in fiscal year 1992.

(4) The House Committee on Interior and Insular Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1990, $413,000,000 in budget authority and $413,000,000 in outlays in fiscal year 1991, and $426,000,000 in budget authority and $426,000,000 in outlays in fiscal year 1992.

(5) The House Committee on Merchant Marine and Fisheries shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990, $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1991, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1992.

(6) The House Committee on Post Office and Civil Service shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $500,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $500,000,000 in outlays in fiscal year 1992.

(7) The House Committee on Veterans' Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $485,000,000 in budget authority and $752,000,000 in outlays in fiscal year 1991, and $565,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1992.

(8)(A) The House Committee on Ways and Means shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1990, $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1992.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

(C) In addition to the above instructions, the House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit as follows: $400,000,000 in fiscal year 1990, $400,000,000 in fiscal year 1991, and $400,000,000 in fiscal year 1992.

SENATE COMMITTEES

(c)(1) The Senate Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,155,000,000 in outlays in fiscal year 1991, and $1,072,000,000 in budget authority and $1,055,000,000 in outlays in fiscal year 1992.

(2) The Senate Committee on Banking, Housing, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1990, $50,000,000 in budget authority and $569,000,000 in outlays in fiscal year 1991, and $50,000,000 in budget authority and $641,000,000 in outlays in fiscal year 1992.

(3) The Senate Committee on Commerce, Science and Transportation shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1990, $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1991, and $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1992.

(4) The Senate Committee on Environment and Public Works shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1990, $313,000,000 in budget authority and $313,000,000 in outlays in fiscal year 1991, and $326,000,000 in budget authority and $326,000,000 in outlays in fiscal year 1992.

(5) The Senate Committee on Energy and Natural Resources shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1990, $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1991, and $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1992.

(6) The Senate Committee on Governmental Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $500,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $500,000,000 in outlays in fiscal year 1992.

(7) The Senate Committee on Veterans Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $485,000,000 in budget authority and $752,000,000 in outlays in fiscal year 1991,

and $565,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1992.

(8)(A) The Senate Committee on Finance shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1990, $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1992.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

(C) In addition to the above instructions, the Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to reduce the deficit as follows: $400,000,000 in fiscal year 1990, $400,000,000 in fiscal year 1991, and $400,000,000 in fiscal year 1992.

The CHAIRMAN. It shall be in order to consider an amendment offered by the chairman or ranking minority member of the Committee on the Budget. Said amendment shall be considered as having been read, shall not be subject to amendment, and shall be debatable for 30 minutes, equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

No further amendments are in order except the amendments printed in House Report 101-45, which shall be considered only in the order designated in House Report 101-45, shall be considered as having been read, shall not be subject to amendment, and shall be in order even if a previous amendment in the nature of a substitute has been adopted. Each amendment shall be debatable for the period of time specified in House Report 101-45, equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

If more than one amendment made in order by House Resolution 145 has been adopted, only the last amendment adopted shall be considered as having been finally adopted in the Committee of the Whole and reported back to the House.

It shall also be in order to consider the amendment or amendments provided for in section 305(a)(5) of the Congressional Budget Act of 1974, as amended, necessary to achieve mathematical consistency.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, pursuant to House Resolution 145, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PANETTA: Page 7, strike out line 10 and all that follows thereafter through page 20, line 4, and insert in lieu thereof the following:

(3) General Science, Space, and Technology (250):

Fiscal year 1990:

(A) New budget authority, $14,400,000,000.

(B) Outlays, $14,125,000,000.

(C) New direct loan obligations, $0.

(D) New primary commitments, $0.

Fiscal year 1991:

(A) New budget authority, $15,050,000,000.

(B) Outlays, $14,925,000,000.

(C) New direct loan obligations, $0.

(D) New primary commitments, $0.

Fiscal year 1992:

(A) New budget authority, $15,675,000,000.

(B) Outlays, $15,325,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:

(A) New budget authority, $5,775,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $3,925,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $4,350,000,000.

(C) New direct loan obligations, $2,250,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1990:

(A) New budget authority, $17,050,000,000.

(B) Outlays, $17,525,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $17,850,000,000.

(B) Outlays, $18,250,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $18,525,000,000.

(B) Outlays, $18,595,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1990:

(A) New budget authority, $18,050,000,000.

(B) Outlays, $14,950,000,000.

(C) New direct loan obligations, $10,050,000,000.

(D) New primary loan guarantee commitments, $5,400,000,000.

Fiscal year 1991:

(A) New budget authority, $20,350,000,000.

(B) Outlays, $16,350,000,000.

(C) New direct loan obligations, $10,225,000,000.

(D) New primary loan guarantee commitments, $5,475,000,000.

Fiscal year 1992:

(A) New budget authority, $21,075,000,000.

(B) Outlays, $15,725,000,000.

(C) New direct loan obligations, $9,675,000,000.

(D) New primary loan guarantee commitments, $5,425,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1990:

(A) New budget authority, $13,250,000,000.

(B) Outlays, $8,125,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $60,500,000,000.

Fiscal year 1991:

(A) New budget authority, $25,450,000,000.

(B) Outlays, $19,625,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $66,350,000,000.

Fiscal year 1992:

(A) New budget authority, $25,050,000,000.

(B) Outlays, $19,875,000,000.

(C) New direct loan obligations, $3,375,000,000.

(D) New primary loan guarantee commitments, $69,625,000,000.

(8) Transportation (400):

Fiscal year 1990:

(A) New budget authority, $29,850,000,000.

(B) Outlays, $29,000,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $30,525,000,000.

(B) Outlays, $29,750,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $31,675,000,000.

(B) Outlays, $30,800,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1990:

(A) New budget authority, $7,150,000,000.

(B) Outlays, $6,775,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

Fiscal year 1991:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $6,850,000,000.

(C) New direct loan obligations, $1,050,000,000.

(D) New primary loan guarantee commitments, $525,000,000.

Fiscal year 1992:

(A) New budget authority, $7,250,000,000.

(B) Outlays, $6,825,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $550,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1990:

(A) New budget authority, $41,975,000,000.

(B) Outlays, $39,075,000,000.

(C) New direct loan obligations, $25,000,000.

(D) New primary loan guarantee commitments, $13,125,000,000.

Fiscal year 1991:

(A) New budget authority, $43,325,000,000.
(B) Outlays, $42,475,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $44,275,000,000.
(B) Outlays, $43,750,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,825,000,000.
(B) Outlays, $56,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $63,125,000,000.
(B) Outlays, $62,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $69,325,000,000.
(B) Outlays, $68,125,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,850,000,000.
(B) Outlays, $98,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,250,000,000.
(B) Outlays, $112,775,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,550,000,000.
(B) Outlays, $127,825,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $185,675,000,000.
(B) Outlays, $145,625,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $217,400,000,000.
(B) Outlays, $155,575,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,775,000,000.
(B) Outlays, $164,700,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,450,000,000.
(B) Outlays, $5,425,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,250,000,000.
(B) Outlays, $4,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $4,975,000,000.
(B) Outlays, $4,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $31,225,000,000.
(B) Outlays, $29,975,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $32,325,000,000.
(B) Outlays, $31,775,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:
(A) New budget authority, $33,350,000,000.
(B) Outlays, $32,925,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $10,375,000,000.
(B) Outlays, $9,925,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $11,525,000,000.
(B) Outlays, $11,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $12,075,000,000.
(B) Outlays, $12,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,050,000,000.
(B) Outlays, $9,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,425,000,000.
(B) Outlays, $10,225,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $10,875,000,000.
(B) Outlays, $10,175,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. PANETTA] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise to offer an amendment, also sponsored by Mr. FRENZEL, to raise both budget authority and outlays in Function 700 targeted at veterans' medical benefits and services. The additional spending would be paid for by an across-the-board cut in budget authority and outlays in other domestic discretionary spending.

The increase in veterans' funding would amount to $216 million in budget authority and $179 million in outlays above the committee recommendation. The total budget authority for veterans' discretionary programs would be $13.350 billion, which is $1.15 billion above the 1989 level of funding and $264 million, or 2 percent, above the CBO baseline for fiscal year 1990.

The amendment provides $11.6 billion for VA medical care, which is $264 million above the baseline, and brings other discretionary VA programs to the baseline.

Mr. Chairman, while it was my view that the committee recommendation tried to provide an appropriate amount of funds for veterans' programs, given the constraints facing all domestic discretionary programs in this budget it is also clear we are confronting a desperate situation with regard to veterans' health care. Thus, after discussions with Chairman MONTGOMERY and other members of the Veterans' Affairs Committee, I have decided, along with Mr. FRENZEL, to offer this amendment to address concerns about the level of funding for veterans' programs.

And while it is in the nature of these amendments and of the agreement arrived at with the White House and with the joint leadership of the House and the Senate that additional funding for these kinds of programs must come from other domestic functions, it is clear that this is a consequence of the restraints that we operate under with regard to this resolution. But nevertheless, it is my belief as a veteran and as the chairman of the Budget Committee that it represents the desires of the majority of the House, and for that reason it is important that we draw attention to the problems of veterans in this country, particularly with regard to health care.

I want to thank in particular the gentleman from Mississippi [Mr. MONTGOMERY], chairman of the Veterans' Affairs Committee, for the work and cooperation he provided the committee in developing this amendment.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. FRENZEL. Mr. Chairman, I ask unanimous consent to be allowed the 15 minutes' time in opposition, although I am not opposed. I know of no Member of the House who is opposed to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I concur in the explanation of the amendment given by the distinguished chairman of the Budget Committee, and I do support the amendment myself. I would pay tribute to the distinguished chairman of the Veterans' Affairs Committee, the gentleman from Mississippi [Mr. MONTGOMERY], for working out this amendment and arriving at a compromise which seems to be acceptable to all parties.

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At the same time, I want to give the same kind of commendation to the ranking minority member of the Committee on Veterans' Affairs, the distinguished vice chairman, the gentleman from Arizona [Mr. STUMP], who participated in all the discussions and was a full partner with the chairman, the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Arizona [Mr. STUMP].

Mr. STUMP. Mr. Chairman, I rise in support of this budget resolution. The distinguished chairman of the House Committee on Veterans' Affairs and I reached an agreement with the leadership of the House Budget Committee. They have gone as far as they can for veterans' spending and I want to commend Chairman PANETTA and the ranking minority member, Mr. FRENZEL, for their willingness to address the health care shortages in the Department of Veterans' Affairs budget.

Their action on behalf of veterans is the reason I am supporting this budget resolution and I urge my colleagues to support it.

My highest praise goes to my chairman on the House Committee on Veterans' Affairs, the Honorable G.V. "SONNY" MONTGOMERY. Chairman MONTGOMERY has worked tirelessly on the veterans' portion of this budget. As always, his contribution on behalf of our Nation's veterans has been outstanding.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, I rise in strong support of the excellent amendment offered by the chairman and ranking Republican member of the Budget Committee to restore a portion of the funding sorely needed to ensure proper medical care for our veterans.

In particular, I want to commend my good friend from Mississippi, the chairman of the Veterans' Affairs Committee, SONNY MONTGOMERY, for his perseverance in shepherding this amendment to the floor.

Mississippi is privileged to be home to 236,000 of our Nation's veterans. We have three veterans' hospitals, including two in my congressional district.

Like other veterans' hospitals around the country facing funding shortfalls, our south Mississippi facility's announced in February that it was being forced to cut back on services and programs.

Mr. Chairman, this is an untenable situation. Every day that health care services are being denied, we in the Federal Government are breaking our commitment to our veterans. Over the last several years, their benefits have declined unnecessarily.

According to the Veterans' Affairs Committee, while other Federal program budgets have increased, VA budgets have fallen behind the rate of inflation. Since 1985, Medicaid spending has grown by 55 percent, and Medicare spending is up 32 percent. Spending for veterans' health care has increased by only 17 percent over the same period.

The highest obligation of American citizenship is to defend our Nation when it is threatened. In return, the United States must care for those disabled veterans who served in our armed forces.

The Veterans' Medical amendment alone won't solve the funding constraints of our veterans' facilities. And I'm told it won't necessarily reinstate all services which have been curtailed. But it is a good faith down payment toward fulfilling the commitment of a grateful nation to those who performed their patriotic duty.

I urge all my colleagues to support it.

Mr. FRENZEL. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New York [Mr. SOLOMON], who is a former ranking member of the Committee on Veterans' Affairs and has participated in the discussions leading up to the creation of this amendment.

Mr. SOLOMON. Mr. Chairman, I thank the ranking minority member for giving me this time. Let me, if I could, just have a colloquy with the ranking minority member who has yielded me the time. As I understand it, we are raising the functions 700 from $13,086,000,000 up to $13,350,000,000, is that correct?

Mr. FRENZEL. That is my understanding of this amendment, sir.

Mr. SOLOMON. Mr. Chairman, let me commend both the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] as well as the gentleman from Mississippi [Mr. MONTGOMERY] and the gentleman from Arizona [Mr. STUMP] for all the work that they have done in trying to remedy the potential shortfall in funding the medical care delivery system for the 172 veterans' hospitals and over 200 outpatient clinics.

As you all know, we have a pending dire supplemental which appropriates $700 million for the medical care system to take care of the shortfall for this year, and it is imperative that we, for the 1990 budget, raise this amount so that we do not get into the same problem we are in this year.

Veterans' hospitals and outpatient clinics are in severe financial trouble right now. We have veterans that are being turned away that cannot get prescription drugs, we have whole wards being shut down, the VA cannot afford to hire enough doctors and nurses.

If we pass the dire supplemental some time in the next 2 weeks, we will alleviate some of these problems for this year and if we pass the amendment to the budget for next year, we will help to relieve the potential shortfall for next year.

I would again thank the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] for their understanding, and again commend the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY] for the outstanding job they have done in bringing this amendment before the House today.

I urge every Member to support this badly needed amendment.

Mr. FRENZEL. Mr. Chairman, I reserve the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I thank the chairman of the Committee on the Budget, the gentleman from California [Mr. PANETTA] for the cooperation he has given our committee, and I want to thank the gentleman from Minnesota [Mr. FRENZEL], the ranking minority member of the committee. I also want to thank the gentleman from Arizona [Mr. STUMP], ranking minority member on the Committee on Veterans' Affairs; the gentleman from New York [Mr. SOLOMON] a member of the Rules Committee and the former ranking minority member of our committee, and others who have been helpful in putting this amendment together.

The House can be proud of its work for veterans. Our commitment in behalf of veterans has been firm and consistent. Even so, we hope we can do a better job for veterans than we have done in the past. This small increase in funds is not going to solve all the problems, Mr. Chairman. We will have to take a look at the health care structure next year to see what we can do to make improvements for the provision of medical care. We do have an obligation to veterans who defended their country during time of war.

They obligated themselves when the Nation needed them, and certainly we on this side of the Capitol will do what is necessary to take care of their health care needs, and I thank the gentleman for yielding to me.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Iowa [Mr. SMITH].

Mr. FRENZEL. Mr. Chairman, I yield 3 additional minutes to the distinguished gentleman from Iowa [Mr. SMITH].

The CHAIRMAN. The gentleman from Iowa [Mr. SMITH] is recognized for 6 minutes.

Mr. SMITH of Iowa. Mr. Chairman, I thank both gentleman for yielding me this time.

This is an important amendment and I support it but it is not the only change I think is needed. We heard in testimony on the supplemental that the funds were not adequate for the Veterans' Administration. However, I also want to point out the inadequacy in function 750 which is the core of the drug bill.

We passed a drug authorization bill overwhelmingly here last year. All but 11 Members were for it. The President, when he was out campaigning, said he was for it, but now few Members seems to want to fund it. So 2 weeks ago, the new drug czar announced a big program for Washington, DC. Of the $80 million, the core of the program, was a new prison costing $50 or $60 million that was already in the pipeline. In fact, it had been in the pipeline long enough that the Bureau of Prisons had been able to determine the location of the prison, Cumberland, MD. That was about $50 to $60 million out of the $80 million.

He also announced that there will be a new task force for Washington, DC. That was already in the pipeline too. It was from the extra agents that were dedicated last fall in the special appropriation in the last 2 days of the Congress.

So that was nothing new at all. But new resources are not being provided to implement the program. Then last week we have a supplemental appropriations bill on the floor of the House and it was derailed because the Members of Congress were unwilling to contribute 0.57 percent across the board from other discretionary functions in order to fund the war on drugs.

Now we have this bill on the floor, and in section 750 there is a proposed $50 million reduction in outlays. We cannot properly implement the war on drugs with reduction outlays in function 750. This government is implementing the war on drugs. The majority of Members of Congress are not willing, apparently, to put up the money to do what it takes to implement the war on drugs but merely want to talk about it. The administration apparently thinks they can fight the war on drugs with only public relations, because that is all they have done so far, public relations, just talking about doing something about drugs but not putting any new resources into it.

I think that Members should either decide to implement the war on drugs or else quit pretending that either Congress or the administration supports a war on drugs. Now, some Member has said, "Well, they have some money they have not been able to use." That is only true over in the demand side in functions 500 and 550. Those are education and rehabilitation programs which require local sponsors to implement those programs and they have not developed fast enough to use the money they have.

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They cannot implement those programs fast enough to use the money they have because it takes a lot of local groups that have not been set up yet. It takes local groups, non-profit groups, rehab groups, and so forth, but on the law enforcement side they need and can use the money now. The local agencies and Federal agencies are geared up and could use more resources now. They have task forces that are seeking the money, that cannot secure enough money, and several of the three agencies involved in the drug war need the money now.

So, Mr. Chairman, let us face it. Those who vote for this budget resolution the way it is now, are in effect saying that they do not want to implement the war on drugs that overwhelmingly passed in this Congress last fall.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, there was some confusion on this side of the aisle as to the budget authority number after giving effect to the Panetta amendment. My understanding is that that number, as negotiated with Chairman MONTGOMERY and Vice Chairman STUMP, as a result of the Panetta amendment, will be $13,350 million.

Mr. Chairman, I yield to the distinguished chairman of the committee to verify that amount.

Mr. PANETTA. Mr. Chairman, the gentleman is correct. That would be the number.

Mr. FRENZEL. Mr. Chairman, I thank the chairman of the committee for his verification.

The fiscal year 1990 Reagan/Bush budget request was $10.7 billion for medical care. The House Budget Committee mark was $11.4 billion for medical care, an increase of $703 million over the President's request and an increase of $135 million over the CBO baseline.

This amendment adds $216 million of budget authority and $179 million in outlays to the discretionary portion of function 700: veterans' benefits and services. The additional moneys bring the medical care program up to $11,572 billion.

The United States has the most comprehensive system of assistance to veterans of any nation. The veterans' hospital system has 172 hospitals, 231 outpatient clinics, 117 nursing care units, 27 domiciliaries, and 188 counseling centers for Vietnam veterans. It is the Nation's largest medical care system, and it enjoys the support of the Nation.

Some of the problems plaguing the veterans' hospitals are not unique to them. Those problems are being experienced by hospitals throughout the country: They include shortage of nurses, underutilization of facilities in some areas and over crowding in others, sharply rising costs, changing technology, and others.

The deficit pressures are enormous and the needs are many. However, we are confident that this increase will go far to alleviate the veterans' concerns about the adequacy of the level of funding for medical care.

I urge the support of the amendment.

Mr. BORSKI. Mr. Chairman, I rise in support of House Concurrent Resolution 106, the fiscal year 1990 budget resolution. I would also like to commend Mr. PANETTA and Mr. FRENZEL for their efforts in drafting this bipartisan deficit reduction plan.

This resolution is the result of a negotiated agreement between congressional leaders and the White House. Like all compromises, this is not a perfect document. However, it is a good faith effort to restore the principles of fiscal responsibility to the budget process.

The resolution calls for approximately $28 billion in deficit reduction, split evenly between revenue increases and spending cuts. This $28 billion reduction will produce a deficit of $99.7 billion in 1990, slightly below the Gramm-Rudman limit of $100 billion.

Like many of my colleagues in the House, I do not support every provision in this budget. However, there are several provisions that are noteworthy.

One positive provision is the increase in domestic discretionary spending of $3.6 billion with an adjustment for Federal pay raises. Postal Service savings of $1.7 billion are estimated from removal of the Postal Service from the Federal budget.

The budget extension of the lumpsum 60–40 rule for 1 year will save the Treasury $1.1 billion. It also preserves the cost of living adjustments for retirees and provides for both civilian and military employee raises of 3.6 percent.

Finally, Medicare savings of $2.3 billion are raised from hospitals, physicians, and other providers, and not by increasing out-of-pocket costs to beneficiaries.

If we are going to effectively deal with the deficit problem, Congress and the President must continue to work together. A bipartisan compromise that makes significant progress on deficit reduction is an attainable goal.

Mr. KLECZKA. Mr. Chairman, I rise in support of the Panetta budget resolution.

I am especially pleased the resolution assumes the Banking Committee will enact legislation which will require large banks to pay deposit insurance premiums on foreign deposits.

This broadening of the Federal deposit insurance base, in addition to raising much needed Federal revenue, would restore a measure of equity in our Federal deposit insurance system.

Small- and medium-sized banks now pay far more than their fair share in deposit insurance premiums. Big banks with large amounts of foreign deposits are now assessed against only an average of 38 percent of their holdings. Smaller banks pay a premium on virtually all of their deposits. More than 80 percent of the $331 billion in foreign deposits are now held by the 20 largest banks. Those banks, which enjoy de facto protection of those deposits because these institutions are deemed "too big to fail" do not pay a nickel in deposit insurance premiums on that $331 billion in deposits.

In this Congress and in the 100th Congress, I have introduced legislation which would require the assessment of foreign deposits. During the Banking Committee markup of H.R. 1278, the FSLIC bailout bill, I offered a foreign deposits assessment amendment which, while it did not prevail, served to stimulate long overdue discussion of this important policy and budget issue.

This budget resolution prudently instructs the Banking Committee to report legislation on the assessment of foreign deposits so that $400 million can be raised to reduce the budget deficit. I will be among those on the committee working to carry out this recommendation. The principal alternative for the committee under the budget process is a reduction of funds for low- and moderate-income housing. Reducing housing funds so that big banks can avoid paying their fair share in deposit insurance premiums is unacceptable.

Mr. Chairman, I urge the adoption of the Panetta budget resolution.

Ms. SNOWE. Mr. Chairman, I rise today in reluctant support of House Concurrent Resolution 106, the budget resolution for fiscal year 1990. I do so mainly because it implements the budget agreement reached by President Bush and congressional leaders last month, and it establishes a good, working basis between the executive and legislative branches for future budget negotiations. However, I am concerned that House Concurrent Resolution 106 simply does not make sufficient cuts in the deficit.

In announcing that they had reached this agreement on April 14, the budget negotiators unveiled a $28 billion deficit reduction package that barely meets the fiscal year 1990 Gramm-Rudman-Hollings $100 billion deficit target, thus avoiding the need for an across-the-board budget cut. The budget agreement, and this resolution, combine roughly $14 billion in spending reductions with $14 billion in increased Federal revenues.

Mr. Chairman, like many other Members of Congress, I realize that this budget is based largely upon economic assumptions that are not entirely plausible, spending "reductions" that barely scratch the surface of the deficit, revenue increases of an as yet undetermined nature and one-time "savings" of almost $6 billion in Federal asset sales.

This budget resolution also calls for roughly $2 billion in reduced spending on farm programs. In actuality, this is accomplished by speeding up our crop payments to America's farmers so that the increased spending occurs in fiscal year 1989, not fiscal year 1990. An additional $2 billion in budgetary savings is claimed by moving the U.S. Postal Service off-budget. These are hardly the kinds of tough choices that the Congress and administration will need to make in order to reduce the budget deficit significantly over the next few years, as required by Gramm-Rudman.

On the revenue side of the equation, House Concurrent Resolution 106 doesn't get much better. Of the total $14 billion in new revenues, $5.7 billion comes from another round of asset sales, $2.7 billion from increased user fees, and $500 million from improved tax collections by the Internal Revenue Service. Most importantly, this figure includes $5.3 billion of new revenues that have to be agreed upon by the administration and congressional leaders at some later date.

In detailing some flaws of this measure that concern me, Mr. Chairman, I don't mean to suggest that formulating a budget resolution is an easy task. In fact, as an active member of the 92 Group in recent years, I know precisely how difficult it can be to produce an overall budget blueprint for our Government.

In 1985, the 92 Group developed an alternative budget proposal and offered it on the floor as a substitute amendment, although it was rejected. Our budget plan contained a total of $51 billion in fiscal year 1986 deficit reductions, without any tax increases, with a comprehensive freeze on defense spending and with an additional $19 billion in domestic spending reductions. According to the Congressional Budget Office [CBO], the group's budget had a total of $275 billion in deficit reduction over 3 years.

In fact, for fiscal year 1988, the group's budget proposal had an estimated budget deficit of $111 billion, as compared with the $155 billion deficit that actually existed at the end of fiscal year 1988. Had our plan been adopted back then, Gramm-Rudman might not have been needed, or at least it wouldn't be quite so difficult to meet its deficit targets for the coming fiscal years.

Even this year, the 92 Group undertook an informal effort to develop a budget proposal for fiscal year 1990. We found roughly $13 billion in real spending reductions from both defense and domestic spending programs. In finding these savings, we did not resort to one-time budget gimmicks or accounting sleight of hand.

However, the group has decided against offering this plan as a substitute floor amendment in deference to the agreement reached by congressional leadership and the President, who have promised to work toward reaching a better, more comprehensive agreement for next year.

In reluctantly supporting this measure, I hope that the administration and the Congress will put forth renewed efforts toward making the difficult, but necessary, choices in fashioning a new budget agreement for fiscal year 1991 when the Gramm-Rudman deficit target will be $64 billion. We can ill afford to continuously delay confronting the economic harm that our budget deficits will bring to our Nation and its citizens in the future.

Mr. COLEMAN of Texas. Mr. Chairman, I regret the fact that I cannot support this budget resolution. I don't imply any criticism of Chairman PANETTA, or the leadership, or any of the very able members of the Budget Committee. They are simply living up to the pledges made at the White House summit negotiations of 3 weeks ago.

But this budget is paper thin. It has no substance. It says that interest rates will fall from 9 to 5.5 percent next year. How can we go and tell the American people with a straight face that this is a realistic blueprint for spending with numbers like that? I have heard several speakers in this debate say that we need to pass this resolution so as to reassure the financial markets of our intention to reduce the Federal budget deficit and to bring Federal spending under control.

We are not giving the financial markets credit for very much if we think this budget will reassure them. It is shot through with gimmickry. How can we possibly accept the idea that the $5.3 billion in revenues to be raised in each of the next 3 years by the tax-writing committees—the first portion supposedly through a cut in the capital gains rate?

The best argument I have heard in support of this budget is that its passage will allow us to move on to consideration of the regular appropriations bills throughout the summer. As one Member who is privileged to serve on that committee, I will tell you that I would rather have a budget that is honest in its assumptions and straightforward in articulating priorities than one which exists for the convenience of our 13 appropriation subcommittees.

This budget does not present us with an opportunity to debate how our constituents want us to spend their tax dollars. It does not say: "These are my priorities, these are your priorities, let's vote on them." In the name of compromise, it is government by default.

There may be some program totals in here which we can brag about to our constituents, but there are many more which I simply cannot and will not defend. I cannot support the Medicare cuts. I will not accept the cuts in health benefits for Federal employees. Military construction accounts, the ones that help us recruit and retain qualified personnel for our Armed Forces, will be damaged. The manipulation of the trust funds, asset sales, and user fees is irresponsible. We will not fool anybody with this plan—and we shouldn't try.

Mr. Chairman, I do not want to vote against this budget. But I must ask my colleagues to look at House Concurrent Resolution 106 as the product of a wink and a nod and to ask our negotiators from the Congress to go back to the White House and to insist that OMB play straight with the American people. I urge you to vote down this resolution.

Mr. LIGHTFOOT. Mr. Chairman, I would like to voice my opposition to this budget resolution. I realize the administration and congressional leaders struggled to reach this agreement. I realize this may be the best most people feel we can reach. Unfortunately, I cannot in good conscience support the measure.

First of all, the resolution calls for $5.3 billion in new taxes. I have stated repeatedly that I will not support additional taxes to solve our budget problems. Although there may be revenue raising options available to us which are not blatantly defined as tax increases, agreeing to this resolution puts us on record in support of "unspecified" revenue increases—which could amount to taxes. The resolution does not make restrictions on which taxes will be considered for increases. I fear that a vote for this resolution would be a blanket vote for whatever tax increases the House Ways and Means Committee decides to recommend.

One reason I am so opposed to tax increases as a part of our deficit reduction equation is our past record. According to a recent publication on the fiscal year 1990 budget by the Heritage Foundation entitled, "Slashing the Deficit," Federal revenues are increasing at the rate of about $80 billion per year while Federal spending has increased by more than $60 billion annually. Since 1980, Federal spending has grown more than 90 percent and tax revenue have increased by about 89 percent, according to citizens for a sound economy. The total tax burden for Americans is at an all time high. A recent Roper survey said 73 percent of Americans oppose tax increases as a means of reducing the deficit. Tax increases are not the answer.

The other problem with this budget resolution is that it demonstrates very little spending restraint. I believe a better effort to control Government spending needs to be made. The same Roper survey I referred to earlier pointed out that those surveyed felt any new taxes raised would merely be spent by Congress on new programs rather than be applied to deficit reduction. I share their view.

Since first coming to Congress I have advocated the concept of an across-the-board freeze in spending, with the exemption of cost-of-living adjustments, and no new taxes. An amendment is being offered by my colleague from Ohio, Congressman KASICH, which closely reflects this position, and I commend him and support him in his efforts. Citizens for a Sound Economy have estimated that a complete freeze on Federal spending would create a budget surplus in as little as 2 years.

I regret I am unable to support this bipartisan budget agreement. It may be enough to get us by temporarily, but it is far from the answer to our budgetary problems. Spending restraint, not revenue increases are the answer.

Mr. WEISS. Mr. Chairman, I rise in opposition to the bipartisan budget agreement. I do so with some reluctance because I recognize the difficult circumstances under which the distinguished Budget Committee chairman, Mr. PANETTA, was forced to negotiate. I think he deserves credit for his diligence and perserverence. He has succeeded in bringing some reason to the Bush administration's original budget proposal. However, given the final product, I am unable to support the agreement.

After years of massive increases in defense spending without a corresponding increase in national security, we must recognize that the time has come to cut defense spending.

Important social programs, which received an unfair burden of the domestic spending cuts during the Reagan administration must be restored and in some cases increased to meet the needs of our population. It is unwise to continue to underfund cost-effective, successful programs. And finally, we must restore fairness to the tax system. Campaign slogans do not make good tax policy. Those who benefited most from the regressive tax policies of the Reagan administration must begin to pay a fairer share of the overall tax burden.

I would first like to compliment the chairman of the House Budget Committee and the House leadership for their diligence and hard work in negotiating with the Bush administration under difficult circumstances. No doubt, the efforts of Chairman PANETTA brought the final budget agreement closer to a reasonable and fair document than the original budget proposal of President Bush. The fact remains, however, that the administration's approach to this budget is only a slight improvement over that of the Reagan administration.

The fundamental principles which governs the President's approach to budgeting remains flawed. This administration continues to believe that it can achieve a more balanced budget without cutting defense spending and without raising any new revenue. By this logic, all spending reductions would come from cutting important social programs, many of which were slashed by the Reagan administration during the past 8 years.

In its zeal to reduce the budget deficit, the Bush administration, as well as the Reagan administration before it, has been penny wise and pound foolish. Investments in the health and education of our children may cost money in the short run, but these programs clearly save billions of dollars in the long run.

In this important area, the Democratic leadership understands the need to resist drastic cuts in domestic spending. To its credit, it was able to force the Bush administration to accept some modest increases in domestic discretionary spending. High priority items such as Head Start, AIDS, Medicaid, student aid, as well as other low-income programs are given increases above the rate of inflation. While these increases are certainly better than the levels proposed by President Bush, they still fall short of the funds necessary to adequately address many of the problems which continue to plague our Nation.

Defense spending must be reduced as part of an overall deficit reduction program. There is an absolute refusal on the part of the Bush administration to accept that the defense buildup, which more than doubled the defense budget during the Reagan administration, is no longer necessary.

The Soviet Union has shown a willingness to negotiate about a whole range of military issues which would allow the United States to reduce its defense spending. However, the Bush administration continues to claim the need to upgrade program after program within the defense budget. Just last week, President Bush announced his intention to proceed with development of both the MX missile and the Midgetman missile. Apart from the strategic problems with this proposal, this is clearly the most expensive way to solve the problem of our land-based nuclear deterrent. As long as the administration continues to cling to the belief that throwing money at the Pentagon somehow scares the Soviet Union, no negotiator, no matter how skillful, will be able to strike a reasonable compromise.

Another problem with the Bush administration's approach to budgeting is the steadfast refusal to accept any new revenue as a way to help shrink the deficit. It is clear, that much of this refusal represents a political decision on the part of the administration to avoid embarrassment in light of the President's "no new taxes" pledge. No matter what the reason, it is clear that we will not solve the fundamental budget problem without broadening the tax base which was severely undermined during the early years of the Reagan administration. Again, this position puts any negotiator at a severe disadvantage. The bipartisan budget agreement contains $14 billion in new revenue. But in a throwback to the Reagan years, most of these revenue increases are achieved through gimmicky procedures like asset sales, user fees, and other offsetting collections. This approach does not solve the underlying problem.

In closing, I would again like to compliment Mr. PANETTA for the open manner in which he discharged his difficult assignment. I am confident that he will serve as chairman of the Budget Committee with distinction and integrity. As we look to the future, I hope we can resolve the outstanding issues of fairness and budget priorities which have prevented a longer-range budget agreement and which continue to keep our budget chronically imbalanced. However we proceed, we must always resist the temptation to balance the budget at the expense of those who are the most vulnerable in our society. I believe that in the long run, programs which help those most in need will help lead to a stronger, more prosperous, and economically stable America.

Mr. CARDIN. Mr. Chairman, I rise in opposition to the budget resolution before us today.

I want to emphasize that the failings of this budget are not the failures of the House Budget Committee. The House is greatly indebted to the excellent leadership of Mr. PANETTA. I'm sure if we left Mr. PANETTA alone in a room to draft the budget, I'd be speaking in favor of that budget today. Unfortunately, that was not the case in this budget.

Two years ago we accepted a modest 2-year budget compromise. Some of us didn't like the budget gimmicks involved in the compromise, but we agreed to it with the understanding that we would await a newly elected President to arrive and provide leadership in the area of reducing the deficit.

Today we have a new administration and a greater need for deficit reduction, but the gimmickry lives on. Two years ago we decided to await leadership on deficit reduction. I don't think we can wait any longer.

Mr. Chairman, this budget may comply with Gramm-Rudman, but it does not comply with reality. Although many of us differed as to what we meant to accomplish by the enactment of Gramm-Rudman, clearly Congress intended by its most recent change to reduce the deficit by $36 billion annually. We have not only failed in that effort, the deficit has actually grown. In the last 2 years the deficit has grown from $149 billion to $155 billion to $163 billion. The reason for this failure is the continued use of the so-called "smoke and mirrors" budget trickery. This year the smoke is so thick we cannot see the mirrors. Let me cite just a few examples. We've accepted the President's economic assumptions such as interest rates of 5.5 percent. Yet each of us knows that these estimates will not be obtained. The more realistic CBO baseline would have the deficit $19.9 billion higher.

On the spending side we have used every gimmick imaginable. The budget resolution accelerates spending, takes programs off-budget and uses one-time bookkeeping savings as ways to say we are cutting spending when we are not. On the revenue side we use asset sales that will probably not occur, unspecified new revenues—despite the disagreement with the White House—and the perennial "better tax compliance" to grossly exaggerate the revenue component for deficit reduction.

The end result is that if this budget resolution is carried out each of us knows that the deficit next year will be even greater than this year's deficit.

There is an alternative. I recently received a report from the Council on Competitiveness that I think lays out a sound strategy for our Nation. First, it recognizes that continuing budget deficits remain our greatest obstacle to becoming more competitive in the world marketplace. Second, it recommends investments in human and capital resources to further enhance American competitiveness.

To fund deficit reduction in the short term and strategic investment in the long term the council recommends real budget cuts and real taxes. And who are the authors of this report? John Young, president of Hewlett-Packard. John Ong, president of B.F. Goodrich. Donald Petersen, chairman of the Ford Motor Co. The presidents of MIT, Carnegie-Mellon, Northwestern and Radcliffe Colleges. Leaders from the United Auto Workers, the Communications Workers of America, and the United Steel Workers. If such a diverse group can reach consensus on this issue, surely we in Congress can do the same.

We can't slip by any longer. The deficit won't wait, the last 8 years have shown us that. In the early 1980's we waited for President Reagan's supply side economics and new federalism to bring the budget into shape and it didn't happen. Two years ago we decided to wait for new Presidential leadership and it hasn't arrived. The time has come for us to act.

Most observers believe the credibility of Congress has suffered in recent times. By approving this budget resolution—knowing it will not do what we are telling the American public it will do—we will only make it more difficult for Congress to regain the credibility we're going to need to truly deal with the budget crisis.

Mr. SYNAR. Mr. Chairman, today we continue the debate on budget priorities. The budget resolution, House Concurrent Resolution 106, is the focus of our attention. I would like to commend Representative LEON PANETTA for the time and effort expended in developing a budget plan so that it could be brought to the floor quickly. I appreciate the pressures Representative PANETTA and the budget committee faced and the desire of everyone to reach an agreement on budget matters.

As much as I would like to have a budget agreement behind us, I cannot support this resolution. Just any budget agreement will not and should not suffice in our efforts to address critical priorities and resolve the budget deficit. For too long, our budgets have been nothing more than sleight of hand tricks which have increased defense spending at the expense of domestic expenditures and a rising deficit. Some of the past budgets have been expedient and were approved in order to avoid immediate or potential financial crises. This is the year, however, when substance must take precedence over appearance.

True deficit cutting should not be premised on an illusory target which has been created by Gramm-Rudman-Hollings [GRH]. The target figure, upon which the entire budget resolution sits rather tenuously, is one for which the budget numbers have been massaged so that they conveniently match the artificially created projected deficit target. We worry each year not about reality but whether we can avoid an estimated projection. Even the projected deficit is built on thin air.

The Congressional Budget Office [CBO] analysis calculates that the true deficit will be about $20 billion higher than the estimates of the Office of Management and Budget [OMB]. To craft an agreement, any agreement, we have "adjusted" our estimates by accepting highly suspect economic assumptions. We also have managed to "save" money by shifting numbers. We have deluded ourselves and others into accepting lower projected deficit figures by including or not including certain programs. We include Social Security trust funds and the funds from the Medicare surtax but delete the post office. These are only a few examples. This is the type of "creative accounting" that resulted in the present savings and loan crisis. Just as the S&L problem has grown dramatically in the past few years, such accounting practices will have the same effect on the Federal budget and the seriousness of the deficit. This type of accounting must cease.

The rigidity of GRH does not take into account changing needs, unforseen circumstances or crises of the moment. Nor does it take into account problems ignored for 8 years now at a critical stage, which cost more money and have spawned additional problems. In order to make the deficit picture rosy, we simply move the numbers to another account and claim it does not affect the budget, all in an attempt to placate the dictates of GRH.

If we accept the unrealistic economic assumptions and shifting numbers this year, we will face insurmountable hurdles in the next few years. Under GRH we would be required to make massive spending cuts in both defense and domestic programs that could not be absorbed. This law must be repealed in order to realistically confront the problems and find the answers. The decisions will not be simple and more than likely be unpopular, however, they are overdue.

Oklahomans tell me they want to have deficit reduction. They understand the impact of the deficit on growth and development. They also tell me that there are serious problems they would like to see addressed. These include, among others, rural health care, housing shortages, deficiencies in veteran's programs and Indian programs, the problem of high school dropouts, education, drug and crime problems. Environmental cleanups and nuclear facility cleanups are a growing concern. Resolution of these problems are desired but not at the expense of an appropriate level of defense. To ignore these core domestic issues will result in a greatly reduced standard of living for the long term.

As an individual member, I do not have the answer to the deficit. I do believe that the budget process should not be predicated on a sham and should start over from an honest assessment of the fiscal situation. From that point, we should address the deficit as a problem in and of itself and not as a moving target adjusted around spending priorities.

Mr. DAVIS. Mr. Chairman, I support the fiscal year 1990 budget resolution (H. Con. Res. 106) which implements the April 14, 1989, bipartisan budget agreement with President Bush. I am glad that the transportation budget function is among the high priority functions, but I do have a great concern over one of the elements in the budget under that function.

My concern lies in the budget's dependence on Coast Guard user fees to raise $200 million in revenue for the next fiscal year. While I do not oppose reasonable user fees, I have always opposed the administration's proposals to charge recreational boating fees. These proposals are not user fees, but simply new taxes in disguise. These fees do not have any relation to services received by recreational boaters. They are designed to raise a specific amount of money and relieve some of the pressure on the Coast Guard budget. However, I have yet to see a proposal that would actually help the Coast Guard.

The supporters of Coast Guard user fees do not seem to understand the contribution already made to the Coast Guard budget by boaters through the existing motorboat fuel tax. The user fee proposals are even more objectionable during a time when the Coast Guard is reducing services to recreational boaters in general.

The law provides guidelines for legitimate user fees under section 664 of title 14 and section 9701 of title 31, United States Code. These existing laws require that—

The fee must be fair, equal to the cost to the Government, and equal to the value of the service to the recipient.

There can be no charges for national defense, emergency search and rescue, or services that benefit a large segment of the public.

The Government must go through the normal regulatory process so that all of the justifications are open to public scrutiny. In other words, they are not authorized a blank check to charge whatever they want for a service.

And finally, a full accounting must be made of any fees.

On this last point it is interesting to note that the Department of Transportation and the Coast Guard have failed to submit the statutorily mandated accounting under section 664(c) of title 14, United States Code. Because they cannot account for existing user fees and their use that they will be able to properly implement any new user fees. I am skeptical based on this alone.

The proposed recreational boat fee does not meet the legal test in many respects. The proposed fees against commercial vessel operators for Coast Guard services also violate several of these legal requirements. I am reluctant to impose new fees on the American merchant vessel industry that is already struggling, because I do not believe that the administration has adequately assessed the true economic impact of these fees on the industry.

I support the President in his pledge against new taxes, and will once again oppose these taxes in the guise of Coast Guard boating fees or any other unreasonable fees.

I will be working with other members of the Merchant Marine and Fisheries Committee to find a more equitable way to meet the requirements of this budget resolution.

Mr. GAYDOS. Mr. Chairman, I rise in support of House Concurrent Resolution 106—the fiscal year 1990 budget resolution.

The year he left the Presidency, former President Jimmy Carter said, "The American people have always recognized that education is one of the soundest investments they can make."

Needless to say, the last administration was a scrooge with funds for education. The percentage share of total Federal outlays—the gross national product—fell from 2.5 percent in fiscal year 1981 to 1.7 in fiscal year 1988. When adjusted for inflation, total appropriations for the Department of Education fell by 4.1 percent.

In our haste to balance the budget and not raise taxes, we have neglected the tomorrow of this Nation—our children and young adults. The educational system of this country is in sad shape. Our high school dropout rate is 25 percent compared to Japan's 2 percent. That means that each year, 700,000 high school students give up their academic goals and a chance for a bright future.

Another 300,000 are graduating with deficient skills in basic reading and computation. They do not contribute to the country's economic well-being as we know high-quality educational programs lead directly to a productive work force.

Other countries' students are excelling in areas where our students are failing. American high school seniors in advanced placement studies for science finished last in a recent test administered to more than 200,000 students in 7,581 schools worldwide.

Increasing Federal funding for education would actually save us money in other areas. The Committee on Economic Development, a group of corporate leaders throughout America, estimates that for every $1 spent in early intervention and education, $5 is saved in remedial education, welfare, and crime control. But today, there is room for less than 20 percent of those children of low-income families who are eligible for Head Start to participate in the program.

As our future, our young people should be a top priority. They deserve more than the piecemeal handouts of the last 8 years we have given to education. Mr. Bush wants to be the education President. He has a long way to go. Under his budget, key elementary and secondary education programs, including chapter 1, could be cut by $1.9 billion.

The Department of Health and Human Services' drug abuse prevention and education activities could be cut $170 million below levels set in the 1988 drug bill under Mr. Bush's budget.

This budget resolution is a much more favorable alternative. House Concurrent Resolution 106 would provide $42 billion—an increase of about $4 billion over the current fiscal year for education programs, such as Pell grants and the Stafford Student Loan Program, formerly the Guaranteed Student Loan Program. Thus, low-income, high-risk students will have continued access to the student financial assistance they need.

However, House Concurrent Resolution 106 is not fault free. We still are not sure of its impact on worker health and safety.

Those of us on the Subcommittee on Health and Safety are hoping that the 1990's will be a kinder and gentler decade for American workers than the 1980's were. Workplace injuries and illnesses have actually risen. After several years of voluntary compliance under the Reagan administration, when at least 25 percent of all workplace injuries and illnesses were not recorded or reported, a recent desire to enforce the recording of occupational illness and deaths has uncovered a rise in occupational accidents.

The National Safety Council reports that in 1987, 11,100 Americans died on the job and another 1.8 million suffered disabling injuries at work. Those losses cost the United States $42.2 billion.

The Bureau of Labor Statistics of the Department of Labor reports that the rate of injuries and illnesses per 100 full-time workers has increased from 7.9 in 1986 to 8.3 in 1987.

During the course of the 1980's, Federal funding has actually decreased for occupational health and safety. The Occupational Safety and Health Administration received 7 percent less in real dollar terms in 1988 than it did in 1980.

The Mine Safety and Health Administration received almost one-fifth less in 1988 than it did in 1980. The administration budget request for fiscal year 1990 is less than adequate for OSHA and MSHA and guts the entire National Institute for Occupational Safety and Health program.

It's very unlikely that OSHA will have the resources to adequately protect workers as required by the Occupational Safety and Health Act of 1970. With the increase in occupational injuries and illness, I can't figure out why the President proposed a budget where OSHA will receive less than is necessary to keep up with inflation.

This budget won't even permit OSHA to bring its force of compliance officers up to the level required by the 1989 appropriations. In the past 2 years, there has only been a net gain of seven health and safety inspectors. The President's budget request includes authorization for 1,971 health and safety inspectors—that's quite a few more than the 1,166 who are currently on board.

Administration wants to reduce the budget for NIOSH by one-third—from last year's amount of $70.4 million to a mere $44.3 million for 1990.

We are concerned that the message we are sending to the American worker is that occupational safety and health aren't important.

Yet, in spite of its shortcomings, this resolution may be the best possible proposal under the present fiscal restraints. It will trim the Federal deficit to the $100 billion target set by the Gramm-Rudman-Hollings law.

I congratulate Mr. PANETTA and the other members of the Budget Committee for working together and making the best of a no-win situation.

I urge my colleagues to vote in favor of House Concurrent Resolution 106.

Mrs. LLOYD. Mr. Chairman, I rise in support of the bipartisan budget agreement for fiscal year 1990 put forth by the House Budget Committee.

The Federal budget deficit has been cited time and time again as the overriding concern of the American public and they are looking to us for leadership on this critical issue. We all realize that huge, recurring deficits remain a grave threat to our Nation's economy and I am heartened by the fact that President Bush and congressional leaders could agree upon the framework for the fiscal year 1990 budget which calls for approximately $28 billion in deficit reduction.

This budget resolution implements that agreement and is a successful first step toward further discussion on the many complex budgetary issues which await us. When implemented, this resolution will both meet the Gramm-Rudman deficit target in fiscal year 1990 of $100 billion and avoid across-the-board sequestration cuts this October.

Automatic sequestration would drastically curtail the ability of the Congress to respond to the pressing needs of our country, such as education, health care, transportation, the war on drugs, and our critical science, space, technology, and defense initiatives. This agreement would eliminate the need to employ a sequester threat as a motivation for deficit reduction and it also provides us with a good starting point for the passage of all 13 separate appropriations bills by the start of the fiscal year on October 1, thereby avoiding the need for a continuing resolution. It is the beginning of a bipartisan approach to the tough choices that must be confronted if we are to solve the deficit crisis.

I believe that this resolution is a sound agreement which will allow us to move forward as a nation and send a strong signal to our financial markets, and the American people, that we in the Congress are capable of serious deficit reduction and that we are willing and able to work together to achieve it. I urge my colleagues to join with me in supporting the fiscal year 1990 bipartisan budget agreement.

Mr. ROYBAL. Mr. Chairman, as the House considers the 1990 budget resolution, I would like to communicate several concerns which I ask that you keep in mind as you consider the health portions of that budget resolution.

Medicaid, a popular budget-cutting target of the last administration and a program covering less than one-half of poor Americans, is being and should continue to be shielded against any further cuts in this already shredded portion of the Nation's safety net. Instead of cutting Medicaid, I asked that the Budget Committee make room in the budget for a 3 to 5 year phase-in of Medicaid protection for all poor persons. The first year phase-in should be devoted to whatever additional protection can be provided for poor children and pregnant women and still satisfy budget constraints.

Though not completely satisfied, I am pleased to see that $200 million has been made available for the Medicaid package introduced by Representative WAXMAN, other members of the Energy and Commerce Committee and me. This Medicaid package, though modest in its magnitude, would take a very important first step toward dealing with infant mortality, improving child health, caring for the mentally retarded, caring for the frail elderly, and providing hospice support to the dying.

With respect to Medicare, I asked that the Budget Committee and the Congress continue to take the position in the budget resolution that there be no Medicare cuts which increase beneficiary out-of-pocket costs. As documented in my Aging Committee's out-of-pocket health cost study—based on a study by the Health Care Financing Administration—elderly out-of-pocket health costs increased to 18.1 percent of elderly income in 1988—up substantially from 12.7 percent of income in 1980. Even without further budget cuts, greater and greater percentages of elderly income are projected to go toward health care. Again, I am pleased that the committee has taken positive action and included, at the request of myself and others, the following language:

It is the Committee's intention that none of the savings directed to be achieved in Medicare shall come from provisions that reduce services or increase costs to beneficiaries.

With respect to the overall Medicare reductions of $2.3 billion, I still have very serious concerns. I asked that the Budget Committee take all reasonable steps to minimize Medicare provider payment cuts—especially hospital payments—and reject those provider cuts havings a significant negative impact on health care access and quality. While I understand and appreciate that this figure is less than one-half of President Bush's proposed reductions and less than the Senate Budget Committee's proposed reductions, I have serious doubts that Medicare can absorb $2.3 billion in cuts without jeopardizing health care quality, accessibility, and affordability for Medicare beneficiaries.

Again, I am pleased that the committee has taken positive action and included, at the request of myself and others, the following language:

The committee further urges that the authorizing committees proceed with extreme caution relative to Medicare provider changes which may negatively affect health care access and quality.

Even with this language, I remain deeply concerned. Congress again seems prepared to make major reductions in Medicare without understanding what impact these cuts will have on Medicare beneficiaries.

On the issue of biomedical research, I applaud the continued attention given to AIDS research funding by the Congress and the administration and strongly support the proposed expansion. However, I remain deeply concerned over the paltry progress we are making in funding Alzheimer's and related disorders research. In Alzheimer's, we have one of the most costly diseases in both personal and dollar terms, yet we are spending only a little over $100 million for research. In comparison, we spend anywhere from $500 million to over $1 billion for research on the other major diseases, for example, cancer, AIDS, heart disease. Though still less than what we will be spending on the other major diseases, I asked that the committee and the Congress commit itself to a 3-year phase-in of an Alzheimer's research initiative reaching an annual commitment of $500 million by 1992. Sadly, this budget resolution is silent on the issue of Alzheimer's research.

Finally, though making no specific recommendation to the Budget Committee with respect to long-term care, I do ask that the committee and the Congress continue its consideration of how the long-term care problem might be handled within the context of the Federal budget and be open to the prospect of a congressional consensus on resolving the long-term care issue being reached before the end of the 101st Congress.

Let me assure my colleagues that I do fully appreciate the magnitude of the Federal budget deficits facing Congress and the administration. However, I also believe that the Federal Government has obligations to its people, especially the most vulnerable.

Mr. DREIER of California. Mr. Chairman, today we are going to vote on the so-called bipartisan budget resolution—a resolution which may have the support of a majority of my colleagues in this body. The crux of this issue is whether we vote "yes" on a mere acceptable resolution, which does not make any real headway toward cuting our budget deficit: or do we make a stand and reject the resolution and sent it back to the committee for corrective surgery. Mr. Chairman, I think we should do exactly what we did with the dire emergency supplemental appropriations bill last week—reject it and send it back to committee. This budget needs a severe overhaul.

Sure, this resolution comes in under the Gramm-Rudman deficit-reduction targets. But let's face it, we're not fooling anyone. Everyone knows at the end of the year we will be $20 to $30 million over the target. When you examine the fiscal year 1990 budget resolution, you find discretionary spending cuts that come from the use of smoke and mirrors. Except when it comes to the defense budget. This budget makes it very clear that the majority of all discretionary cuts will come from our national defense.

And, once again, we are faced with a tax increase, or as many of my colleagues like to describe, "revenue enhancements." This budget resolution, which calls for $5.3 billion in new taxes, is a direct slap in the face of voters who read George Bush's lips last November. No new taxes.

If this body is serious about making real and lasting reductions to the Federal deficit, we would be enacting the recommendations of the Congressional Grace Caucus and Citizens Against Government Waste which, yesterday, announced a list of 10 spending programs belonging to the "Government Waste Hit List."

Together, the 10 waste targets stand to save the Federal Government $19.1 billion in fiscal year 1990. Included among the proposals are measures to revamp the Federal procurement process at a savings of $7 billion in fiscal year 1990, give rental vouchers to low-income families instead of subsidies to developers and investors at a savings of $1.9 billion, and reduce wasteful farm subsidies at a savings of $1.1 billion.

Mr. Chairman, this budget resolution is flawed and should be rejected. By doing so, we can send a message to the American taxpayers that Congress is serious about reducing the Federal deficit, which is a major burden on our efforts to increase economic opportunity.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of the budget resolution although I have serious reservations about the final amount included for veterans' health care programs.

However, the amount reflected in the final budget resolution will help to alleviate the enormous strains that are being placed on the Department of Veterans' Affairs and its ability to provide adequate health care service to our Nation's veterans.

I want to state my appreciation for the efforts of the Budget Committee chairman, Mr. PANETTA, and the efforts of Mr. FRENZEL, the ranking minority member. I realize the constraints put upon them.

And they took the time to hear us out when the chairman, Mr. MONTGOMERY, and Mr. STUMP, the ranking minority member, all the veterans came knocking on their doors. They helped us out the best they could under difficult circumstances.

Unfortunately, veterans have been living with a straight line budget in terms of inflation for about 10 years. As ranking minority member of the Veterans' Subcommittee on Hospitals and Health Care, I am convinced that we just cannot continue to provide the quantity and quality of health care services that all of my colleagues and the veterans they represent have come to expect, unless there is more money in the budget.

Even a current services budget will not meet the health care needs of our veteran constituencies because their needs are increasing at a rapid rate due to the aging of World War II veterans and other factors, such as the need to increase the competitiveness of the Department of Veterans' Affairs in the recruitment and retention of dismally scarce health professionals.

It is important to emphasize the health care criss which is besieging veterans' health care because continuing the current trend of underfunding is impossible without seriously considering a realignment of the health care system as we know it today. Including mission changes and facility consolidations.

I thank my colleagues, Chairman MONTGOMERY, and ranking minority member, BOB STUMP, for their support and their strong efforts to achieve the best possible funding level for veterans' health care. And I commend JERRY SOLOMON of the Rules Committee who remains a tireless advocate for veterans.

I will support this resolution. However, the ramifications of a continued budget shortfall are certain to have negative consequences on the veterans we collectively serve.

Mr. SMITH of Texas. Mr. Chairman, I support House Concurrent Resolution 106, the fiscal year 1990 budget resolution, recognizing that it is far from perfect and that there is substantial room for improvement. However, this budget does make progress on solving the Nation's deficit problem.

I also believe that in many ways this is a forward looking budget which will help America prepare for the future. In particular, the budget resolution provides for an increase of $1.6 billion in science, space, and technology programs—increases that will allow us to move forward on important scientific initiatives that play an increasing role in our ability to compete in the international economic arena.

This budget will also NASA to continue design and component development on the space station Freedom, so that the United States can finally establish a permanent manned presence in space, as the Soviets have had for a decade. This manned presence will provide the ability to conduct new materials research and develop manufacturing processes that are possible only in a low-gravity environment. We must obtain this capability if the United States is to capitalize on these new developments and carve out a significant share in these emerging economic sectors.

By increasing budget authority for general science programs, the Department of Energy will be able to begin construction on the superconducting super collider, a project that will solidify this Nation's lead in high-energy physics and ensure that the world's scientists will beat a path to our door. Our past research efforts into the structure of atomic particles has led to the development of new technologies for medicine, engineering, communications, and computer science. By continuing to explore the basic structure of matter, we will lay the groundwork for the next generation of technologies, product development, and instrumentation. We need the super collider to remain a leader in these fields.

Finally, the budget resolution provides for continuing the expansion of National Science Foundation programs, which supports our faculties, students, and research scientists in their pursuit of new discoveries. While big science projects are important, we must not forget that the greatest amount of innovation, insight, and advancement of knowledge comes from the many individual scientists who toil out of the spotlight in our Nation's academic and non-Government labs. This is a valuable resource which we must maintain and encourage.

In summary, Mr. Chairman, I believe the advancement of science and technology is the foundation for the economy of the future. This relationship grows daily, and we cannot afford tc be left behind. Our strong support of science will pay benefits far into the future, and I am glad that the budget resolution before us today makes a significant contribution to that goal.

Mr. SKAGGS. Mr. Chairman, I'd like to take this opportunity to explain my opposition to House Concurrent Resolution 106, the congressional budget resolution for fiscal year 1990.

Mr. Chairman, the United States currently has a national debt of almost $3 trillion. That is equivalent to a $30,000 credit card bill for every single family in America. Next year, we will see an incredible fiscal event occur, when interest on this debt will have risen to the point that it costs our country as much as we expect to spend on all discretionary domestic spending—$181 billion. What a simple and profound indictment.

We will never be able to afford to pay for education, for health care, for science and research, for all the programs that are so important to the strength of this country, until we arrest the rising interest payments on our past debt. And that means reducing the deficit, which of course is what produces the annual addition to our national debt.

I fully realize the deficit is an enormously complex problem and cannot be solved easily. The bipartisanship that has gone into this resolution is welcome. Negotiation and compromise between Congress and the President and between Democrats and Republicans in both Houses are surely prerequisites for any real progress on the budget.

Unfortunately, this resolution itself does not yet reflect the kind of responsible decisions and honest economic assumptions that we need to get the deficit under control and keep it under control. Symbolic agreements, when we're dealing with an issue as crucial as this, are not enough.

It is not enough that this budget resolution puts us within Gramm-Rudman-Hollings deficit-reduction targets on paper if it reaches those targets only through creative accounting and budgetary sleight-of-hand. The budget resolution relies on the administration's wildly optimistic forecasts of future interest rates and performance of the U.S. economy to account for over $10 billion in savings. The resolution uses changes in technical estimates to "save" another $10 billion. The resolution assumes almost $6 billion will be raised through asset sales. The resolution moves farm support payments from fiscal year 1990 to fiscal year 1989 and claims that saves $850 million. This is not deficit reduction; this is deficit deception. While the resolution claims a fiscal year 1990 deficit of $99.7 billion, most knowledgeable people predict the real shortfall by September 30, 1990, will be closer to $150 billion.

The actual spending cuts and the additional revenues called for by this budget resolution are measures that make sense. But they are not enough. We need to develop a plan that starts with realistic assumptions about the economy, and then includes the necessary steps to put us within Gramm-Rudman-Hollings limits. We need additional spending cuts, but those alone won't do it. Not when it would require cutting 5 out of every 6 dollars in domestic spending to eliminate the deficit through that route.

We can't keep hiding, from ourselves and from the public, the need for new revenues. And if we can't be that direct about it, if we can't agree on a deficit reduction package that does not rely on gimmicks, then we should accept the automatic cuts of sequestration. It just might show us what it means to make honest reductions in the deficit.

We can't solve this problem painlessly. But we can solve it with prudence, with fiscal common sense, and with determination. I would urge my colleagues to join me in voting against the budget resolution.

Mr. NELSON of Florida. Mr. Chairman, I am opposed to this budget resolution because of its reductions in the critical areas of science, space, and technology.

The Budget Committee has stated that Science and Space is a priority program and thus it has received a $1.1 billion increase. But an increase over what?

The budget resolution increases function 250 over the current services baseline. This is an arbitrary baseline which is a unique creation of the Budget Committee. This has no relationship to reality.

The real question is how much do these programs need and how much of this need is met by the budget resolution.

Close examination of the budget resolution reveals that the science and space function is decreased by $1 billion below the request level, that is, $1 billion below the level of need.

Aside from general government, this is the only domestic discretionary account that has been cut below the request level. Every other budget function is increased over the request level.

This is no way to treat a program that we all agree is a priority program.

In addition, it does not appear to me to be a rational way of reducing the deficit to increase every other budget function above the levels that are actually needed while cutting science and space—the only function that has an economic return for this country.

Mr. RAHALL. Mr. Chairman, I rise in support of House Concurrent Resolution 106, the fiscal year 1990 budget resolution.

Yesterday I made a statement expressing my strong support for the leadership children's initiative, which provides increased funding for child nutrition programs under the School Lunch Act, and a child-specific set-aside of $115 million out of a $200 million expansion of Medicaid programs. Equally important to me is the $150 million expansion of the Special Supplemental Food Assistance Program for Women, Infants and Children [WIC].

The overall budget resolution before us today represents a bipartisan agreement reached between the White House and congressional leaders and would achieve Gramm-Rudman targets while protecting low-income, high priority programs for disadvantaged school children under chapter 1, education of handicapped children, Head Start, community and child health, child care and early development, student aid, and Medicaid.

The budget resolution also limits the cut in Medicare funding to less than one-half of the

President's original proposed cut of $5 billion, and further protects job training initiatives, older Americans, vocational rehabilitation, and subsidized housing.

Obviously, I am pleased to note that the budget plan assumes a 3.6-percent pay increase for both civilian and military personnel, and that cost-of-living adjustments [COLA's] for Social Security recipients and other entitlement programs are assured.

None of us are likely to forget that our President campaigned successfully on a no new taxes stance. But the President is President of all the people, not just those who are so fortunate as not to need SSI assistance, or old age disability benefits, or Older Americans Employment programs. He is the President of those who do need those programs in order to have any quality or dignity of life. He is the President of children yet too young to vote for any President—and a huge majority of children born today are born into poverty, and they remain in poverty all of their lives.

In West Virginia in 1983, only 25 percent of babies were born into poverty; today, 52 percent are born into poverty. More than one-half of families in my State have incomes $10,800 a year—well below the poverty level. And, in my district, the average unemployment remains at 11 percent, but individual counties have unemployment rates as high as 17 percent. President Bush is their President, too. Realizing this, the President has entered into this bipartisan agreement with Congress which rejects his earlier bid to impose a flexible outlay freeze on all domestic programs at fiscal year 1989 levels, with no inflation factor taken into account so that current services to individuals and families could be maintained. Congress rejected his proposal to cut $21 billion from those domestic programs. And the word the President listened to was that an inflation adjustment for critical, high priority programs had to be made—just as the President proposed an inflation adjustment factor for his defense spending proposals.

The bottom line is that the President has realized that if he wants to take a budget cake and eat it too, he has to provide part of the ingredients, which includes taxes.

If anyone wants to know why I am voting for this resolution, I can tell them in a few words, and if they need proof, I invite them to my office to read my constituent mail. I am voting for it because West Virginia, hard as she is struggling for survival and growth, still is not enjoying the warm winds of recovery being experienced in the rest of the Nation. We rank second in the Nation in the growth and percentages of families and individuals living below the poverty line. Second in the Nation? That's not good enough for me, and it's not good enough for our proud people either. Today's vote provides an interim period during which they and their children will be enabled to live, to have food, shelter, clothing, medical attention, and a quality education to help families and their children break the cycle of poverty once and for all.

Read my mail, if you want to know why I cast my vote today in strong support of this first step in the fiscal year 1990 process.

As a matter of fact, I will even attempt to read President Bush's lips—lips that have begun to whisper the word taxes—if he will read my mail.

Mr. BUNNING. Mr. Chairman, I rise in strong opposition to this budget resolution. This resolution proves only one thing—that the mere fact that something is bipartisan does not necessarily mean that it is good, or honest or responsible. This budget may be bipartisan but it still stinks.

The term "smoke and mirrors" has been overused but it is still the best way to describe this resolution. It does virtually nothing to significantly reduce the deficit. It postpones all the hard choices.

Instead of slicing through spending, it slinks through the back alley of bogus bookkeeping transactions, unspecified revenue increases, and counterproductive, unrealistic asset sales.

This resolution is a bipartisan sham and I cannot support it—no matter how bipartisan it may be.

House Concurrent Resolution 106 calls for revenue increases but doesn't explain where these extra revenues will be found. It sounds like a tax increase to me. The administration originally said the bulk of it would come from the increased revenues generated by reducing the capital gains tax—but we all know that there is no bipartisan agreement on reducing the capital gains tax.

And the OMB has already revised its estimates of the increased revenue that would be generated by a cut in the capital gains tax from $4.8 to $3.8 billion with a net loss in the second year.

So, no matter where you stand on capital gains taxes, this resolution guarantees a tax increase—a sizable one.

House Concurrent Resolution 106 calls for $5.7 billion in one time only asset sales. Most of us recognize that this is phoney savings—that it probably won't happen and if it does happen, it will cost us money in the long run.

The resolution also calls for shaving $1.9 billion off the agriculture budget, but most of that reduction in the 1990 deficit is achieved by advance deficiency payments which simply shift the deficit from next year to the current year. How gimmicky can we get.

The list of side show budget gimmicks goes on and on. And unfortunately, there is very little in the way of the one most important ingredient that we need to reduce our deficit—budget cutting.

Sure, it cuts defense some $4.2 billion but it doesn't do much more than that. That is virtually the only real budget cut in the whole agreement. It puts off the hard choices when we cannot afford to put them off. It makes even tougher choices inevitable next year. And it certainly sets the stage for a major tax increase in the next year or two.

This budget is a bipartisan agreement to sit on our fannies and let the problem get worse and I urge my colleagues to oppose it, so that we can go back to the drawing board and come up with a budget agreement that actually does something to reduce the deficit.

Mr. TALLON. Mr. Chairman, I rise to offer my strong support for the Veterans' Medical Care Amendment to the congressional budget resolution for fiscal year 1990. This amendment provides for an increase in veterans' programs of $225 million in budget authority and $175 million in outlays—with the funding increase intended for veterans' medical care programs.

Budgetary conditions affecting the Department of Veterans' Affairs medicine have reached a crisis produced by decisions in the 1980's to allow this account to annually shrink in real terms, to fall to a level where less than 1 percent of Federal spending is set aside for veterans health care. This trend must be reversed, and this decision to reverse it cannot be delayed.

The VA's health-care services are in a state of crisis, the result, in part, of at least 12 years of inadequate medical budgets. Nationwide, the VA has been forced to close hospital beds, reduce staffs, curtail sorely needed renovations, delay activation of new facilities, eliminate certain medical services, and deny medical treatment to thousands of veterans.

The Department of Veterans' Affairs has confirmed that, without additional medical funding, it will have to close or downgrade some veterans' hospitals. We cannot allow ourselves to see this as an option. I am simply not willing to go back to the veterans of the Sixth District of South Carolina and tell them that their Government cannot make good on its promise. That they should expect second-rate facilities, insufficient care, and possibly the rejection of medical treatment altogether.

Veterans' Affairs officials now predict the VA medical funding shortfall will reach $1 to $1.5 billion in fiscal year 1990, unless Congress approves this supplemental money. Virtually every one of the agency's 172 hospitals is feeling the budget squeeze: staff shortages, services terminated, inadequate equipment replacement, curtailment of needed renovation, medical supplies in short stock, and more and more veterans turned away from needed medical treatment.

While the veterans population has undergone essentially the same demographic changes as the general population and while the health care demands of older veterans has sharply increased, annual VA medical care budgets have risen at a rate that is less than one-half the rate of Medicare spending. Moreover, since 1980, VA patient workloads have increased substantially—hospital patients, up 7 percent; outpatient visits, up 29 percent; veterans receiving VA-paid nursing home care, up 63 percent. Forcing veterans out of VA facilities because of budgetary restrictions requires them to seek alternative care at greater governmental expense.

Failure to financially increase VA's discretionary accounts will aggravate a trend that is already producing very serious repercussions. Apart from obvious direct care personnel shortages, deteriorating medical facilities—including equipment—and limited research dollars are causing many medical schools nationwide to reassess their affiliations with the VA. Withdrawn affiliations, in turn, will jeopardize VA's position as a major trainer of medical manpower—physicians, nurses, and other medical specialists whose scarcity is already documented.

During the past 5 years, the Veterans' Administration has been statutorily instructed to take on new responsibilities in AIDS research and treatment and drug abuse treatment. Simultaneously, the VA has been required to provide a continuum of services to the homeless and a variety of geriatric care services. Addressing these problems in society generally has led to several well-financed national campaigns; yet, the VA has been allocated precious few Federal dollars to pay for its work. Meeting its statutory obligations, therefore, has forced the VA to take money away from its delivery system providing more traditional forms of medical treatment.

I urge my colleagues to join me in support of this amendment. We cannot forget the hardships and sacrifices that we asked our soldiers, sailors, and airmen to make. Through this Nation's history, veterans have enabled Americans to hold their heads high in pride, gratitude, and patriotism. Let's allow our veterans to do the same.

Mr. FRENZEL. Mr. Chairman, I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PANETTA].

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. DANNEMEYER: Strike all after the resolving clause and insert in lieu thereof the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,088,739,000,000.
Fiscal year 1991: $1,184,289,000,000.
Fiscal year 1992: $1,271,016,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,333,160,000,000.
Fiscal year 1991: $1,386,337,000,000.
Fiscal year 1992: $1,448,088,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,182,483,000,000.
Fiscal year 1991: $1,223,393,000,000.
Fiscal year 1992: $1,271,900,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $93,744,000,000.
Fiscal year 1991: $39,104,000,000.
Fiscal year 1992: $884,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $799,846,000,000.
Fiscal year 1991: $871,797,000,000.
Fiscal year 1992: $939,240,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $0.
Fiscal year 1991: $0.
Fiscal year 1992: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $66,300,000,000.
Fiscal year 1991: $73,300,000,000.
Fiscal year 1992: $80,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,021,638,000,000.
Fiscal year 1991: $1,045,330,000,000.
Fiscal year 1992: $1,078,859,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $938,723,000,000.
Fiscal year 1991: $960,983,000,000.
Fiscal year 1992: $992,740,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $138,877,000,000.
Fiscal year 1991: $89,186,000,000.
Fiscal year 1992: $53,500,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.
Fiscal year 1991: $3,374,100,000,000.
Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:
(A) New direct loan obligations, $18,460,000,000.
(B) New primary loan guarantee commitments, $107,559,000,000.
(C) New secondary loan guarantee commitments, $93,238,000,000.

Fiscal year 1991:
(A) New direct loan obligations, $18,902,000,000.
(B) New primary loan guarantee commitments, $115,075,000,000.
(C) New secondary loan guarantee commitments, $97,086,000,000.

Fiscal year 1992:
(A) New direct loan obligations, $18,703,000,000.
(B) New primary loan guarantee commitments, $119,964,000,000.
(C) New secondary loan guarantee commitments, $100,934,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations new primary loan guarantee commitments and new secondary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:
(A) New budget authority, $309,207,000,000.
(B) Outlays, $303,390,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:
(A) New budget authority, $322,438,000,000.
(B) Outlays, $314,371,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:
(A) New budget authority, $335,893,000,000.
(B) Outlays, $326,327,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:
(A) New budget authority, $18,441,000,000.
(B) Outlays, $16,717,000,000.
(C) New direct loan obligations, $2,011,000,000.
(D) New primary loan guarantee commitments, $6,414,000,000.
(E) New secondary loan guarantee commitments, $208,000,000.

Fiscal year 1991:
(A) New budget authority, $18,759,000,000.
(B) Outlays, $16,745,000,000.
(C) New direct loan obligations, $2,098,000,000.
(D) New primary loan guarantee commitments, $6,680,000,000.
(E) New secondary loan guarantee commitments, $217,000,000.

Fiscal year 1992:
(A) New budget authority, $19,850,000,000.
(B) Outlays, $17,192,000,000.
(C) New direct loan obligations, $2,185,000,000.
(D) New primary loan guarantee commitments, $6,946,000,000.
(E) New secondary loan guarantee commitments, $226,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1990:
(A) New budget authority, $13,338,000,000.
(B) Outlays, $13,601,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:
(A) New budget authority, $13,908,000,000.
(B) Outlays, $13,930,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:
(A) New budget authority, $14,478,000,000.
(B) Outlays, $14,188,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:
(A) New budget authority, $6,270,000,000.
(B) Outlays, $4,096,000,000.
(C) New direct loan obligations, $2,028,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:
(A) New budget authority, $6,460,000,000.
(B) Outlays, $4,284,000,000.
(C) New direct loan obligations, $2,149,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $7,060,000,000.
(B) Outlays, $4,750,000,000.
(C) New direct loan obligations, $2,296,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $17,982,000,000.
(B) Outlays, $18,076,000,000.
(C) New direct loan obligations, $62,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $18,776,000,000.
(B) Outlays, $18,816,000,000.
(C) New direct loan obligations, $64,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $19,558,000,000.
(B) Outlays, $19,235,000,000.
(C) New direct loan obligations, $67,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $20,167,000,000.
(B) Outlays, $16,985,000,000.
(C) New direct loan obligations, $10,109,000,000.
(D) New primary loan guarantee commitments, $4,905,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $21,074,000,000.
(B) Outlays, $17,094,000,000.
(C) New direct loan obligations, $10,274,000,000.
(D) New primary loan guarantee commitments, $4,967,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $20,490,000,000.
(B) Outlays, $15,137,000,000.
(C) New direct loan obligations, $9,736,000,000.
(D) New primary loan guarantee commitments, $5,029,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $24,803,000,000.
(B) Outlays, $19,486,000,000.
(C) New direct loan obligations, $2,308,000,000.
(D) New primary loan guarantee commitments, $60,645,000,000.
(E) New secondary loan guarantee commitments, $93,030,000,000.
Fiscal year 1991:
(A) New budget authority, $23,493,000,000.
(B) Outlays, $18,157,000,000.
(C) New direct loan obligations, $2,405,000,000.
(D) New primary loan guarantee commitments, $66,509,000,000.
(E) New secondary loan guarantee commitments, $96,869,000,000.
Fiscal year 1992:
(A) New budget authority, $18,530,000,000.
(B) Outlays, $14,747,000,000.
(C) New direct loan obligations, $2,513,000,000.
(D) New primary loan guarantee commitments, $69,781,000,000.
(E) New secondary loan guarantee commitments, $100,708,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $30,004,000,000.
(B) Outlays, $29,350,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $30,783,000,000.
(B) Outlays, $30,399,000,000.
(C) New direct loan obligations, $52,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $31,966,000,000.
(B) Outlays, $31,586,000,000.
(C) New direct loan obligations, $54,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $6,847,000,000.
(B) Outlays, $6,905,000,000.
(C) New direct loan obligations, $1,028,000,000.
(D) New primary loan guarantee commitments, $301,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,634,000,000.
(C) New direct loan obligations, $1,074,000,000.
(D) New primary loan guarantee commitments, $313,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $6,885,000,000.
(B) Outlays, $6,502,000,000.
(C) New direct loan obligations, $1,116,000,000.
(D) New primary loan guarantee commitments, $326,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $39,086,000,000.
(B) Outlays, $38,485,000,000.
(C) New direct loan obligations, $31,000,000.
(D) New primary loan guarantee commitments, $13,120,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $40,315,000,000.
(B) Outlays, $39,600,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments, $13,555,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $41,148,000,000.
(B) Outlays, $40,603,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,215,000,000.
(B) Outlays, $55,812,000,000.
(C) New direct loan obligations, $7,000,000.
(D) New primary loan guarantee commitments, $380,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $62,681,000,000.
(B) Outlays, $61,673,000,000.
(C) New direct loan obligations, $7,000,000.
(D) New primary loan guarantee commitments, $395,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $68,843,000,000.
(B) Outlays, $67,697,000,000.
(C) New direct loan obligations, $7,000,000.
(D) New primary loan guarantee commitments, $410,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,851,000,000.
(B) Outlays, $100,751,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,255,000,000.
(B) Outlays, $115,190,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,555,000,000.
(B) Outlays, $130,237,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $184,090,000,000.
(B) Outlays, $146,113,000,000.
(C) New direct loan obligations, $1,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $193,828,000,000.

(B) Outlays, $154,627,000,000.

(C) New direct loan obligations, $3,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $201,444,000,000.

(B) Outlays, $162,307,000,000.

(C) New direct loan obligations, $3,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1990:

(A) New budget authority, $5,443,000,000.

(B) Outlays, $5,443,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $4,253,000,000.

(B) Outlays, $4,253,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $4,972,000,000.

(B) Outlays, $4,972,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1990:

(A) New budget authority, $31,399,000,000.

(B) Outlays, $30,510,000,000.

(C) New direct loan obligations, $825,000,000.

(D) New primary loan guarantee commitments, $21,794,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $32,396,000,000.

(B) Outlays, $32,131,000,000.

(C) New direct loan obligations, $744,000,000.

(D) New primary loan guarantee commitments, $22,656,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $33,476,000,000.

(B) Outlays, $33,272,000,000.

(C) New direct loan obligations, $692,000,000.

(D) New primary loan guarantee commitments, $23,622,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1990:

(A) New budget authority, $10,330,000,000.

(B) Outlays, $10,008,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $11,377,000,000.

(B) Outlays, $11,360,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $11,912,000,000.

(B) Outlays, $11,836,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1990:

(A) New budget authority, $10,340,000,000.

(B) Outlays, $10,171,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $10,605,000,000.

(B) Outlays, $10,491,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $11,086,000,000.

(B) Outlays, $10,453,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1990:

(A) New budget authority, $149,660,000,000.

(B) Outlays, $149,660,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $129,878,000,000.

(B) Outlays, $129,878,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $122,229,000,000.

(B) Outlays, $122,229,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1990:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1990:

(A) New budget authority, −$36,837,000,000.

(B) Outlays, −$36,837,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, −$38,648,000,000.

(B) Outlays, −$38,648,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, −$40,517,000,000.

(B) Outlays, −$40,517,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

GOLD BONDS

SEC. 4. (a) The Congress shall consider legislation authorizing the issuance of Treasury obligations redeemable in gold, that—

(1) are known as Eagle bonds;

(2) have an annual investment yield not exceeding 1.75 per centum;

(3) have an initial maturity of forty years, and may not be issued for less than twenty-five years;

(4) have principal and interest redeemable at maturity in gold;

(5) are intended to replace high-interest, short-term debt.

(b) The issuance of gold bonds is intended to achieve—

(1) a permanent reduction in the rate of interest on the public debt;

(2) a permanent reduction in the rate of interest on the private debt;

(3) a signficant reduction of the Federal budget deficit;

(4) the elimination of the U.S. trade deficit.

TAX AMNESTY

SEC. 5. (a) The Congress shall consider legislation establishing a Federal tax amnesty program, that—

(1) authorizes a one-time amnesty from criminal and civil penalties for taxpayers who notify the Internal Revenue Service of previous underpayments of Federal tax and pay such underpayments in full;

(2) shall be in effect for a three month period beginning July 1, 1989;

(3) applies to all payments relating to tax years ending on or before December 31, 1987.

(b) Revenues collected pursuant to this program shall be used solely for the purpose of reducing the Federal budget deficit.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. DANNEMEYER] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. PANETTA. Mr. Chairman, I wish to be recognized in opposition to the amendment in the nature of a substitute offered by the gentleman from California [Mr. DANNEMEYER].

The CHAIRMAN. The gentleman from California [Mr. PANETTA] will be recognized for 30 minutes in opposition to the Dannemeyer amendment.

The Chair recognizes the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, when this Member came to the House and began his service here in 1979, this Congress or the Congress at the time was faced with a Federal budget deficit of some $40 billion. I think many of us here can identify by calling through the unimplemented lists of the Grace Commission, the Congressional Budget Office, the General Accounting Office, and the Heritage Foundation and we can put together a list of reductions that would total $40 billion without a great deal of difficulty. If we offered those reduction in the projected level of spending that is in the budget resolution produced by the Budget Committee, my guess is that we might have 75 to 100 votes supporting those reductions. I wish I could say to my colleagues that we could find $241 billion of reductions in this proposed budget of projected spending totaling some $1.1 trillion for fiscal year 1990, but unless we begin major reforms in how we operate our central government in this country, there is no way we can ever identify $241 billion of reductions, because candidly that is the projected deficit for fiscal year 1990.

I am aware that the claim will be made here today in the debate that the deficit is under $100 billion to comply with Gramm-Rudman-Hollings, but they get there by smoke and mirrors, because we are reducing the general fund deficit by about $147 billion of trust fund money. We are not supposed to do that. In fact, when you do that in the private sector, they put you in jail.

The essence of the amendment that I am advocating for my colleagues to consider is one that really entails a policy option whereby we can lower interest rates in America significantly, that is, by the issuance of gold-backed bonds. I would like to direct my colleagues' attention to this chart. The reality is that all of our debt today totals some $2.9 trillion. That is divided into two broad categories, marketable and nonmarketable. The marketable debt is held by the public, and the nonmarketable is held by our trust funds. The total of marketable debt is some $1.6 trillion.

This chart indicates its maturity over the next 10 years. The reality is that within the next year our Treasury has the unenviable task of refinancing about two-thirds of a trillion dollars of the national debt. The essence of this budget alternative I am proposing would require that the Treasury refinance that debt through the issuance of gold-backed bonds. We believe those bonds could be issued for an interest rate of not more than 2 percent. We expect the interest rate would be about a point and a half, when we reduce the interest cost of servicing the national debt from the current level of about 8½ to 1½, we remove about 7 points from the annual cost of maintaining the national debt, and since the gross interest expense of maintaining the national debt this year will be about $247 billion, if we take 7 points off the existing national debt of close to $3 trillion, we can see that by refinancing the national debt of this Government we can reduce the interest cost expense of maintaining the debt by between $150 and $200 billion a year.

All of us would hope that the Federal Reserve Board would drive down the discount rate now at 8½ percent in order that the prime rate could follow suit and we could meet the competition of West Germany and Japan which currently have prime rates half of ours.

The factor that is keeping the Federal Reserve Board from adjusting the rate of interest in this country is the necessity of this nation maintaining a magnet to draw capital to our country to finance our budget deficit. Once we solve the budget deficit problem currently estimated at $238 billion, we can lower the interest rates that all of us have to pay in this country. That means lower interest rates for homeowners, for college student loans, for businesses, and for Third World debtor nations.

Mr. Chairman, as a means of improving the pursuit of social justice in this country, we must lower interest rates, and I would commend this amendment to my colleagues for their adoption.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PANETTA] for 30 minutes in opposition to the amendment in the nature of a substitute.

Mr. PANETTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the Dannemeyer amendment. The amendment, I would point out, reflects a lot of work by the gentleman from California [Mr. DANNEMEYER], who has approached this issue, I think, in a way that is constructive. I respect the gentleman's views and I respect the way he has approached this issue because he is trying to confront the issue of interest payments on the debt.

Mr. Chairman, this amendment suggests that there is a simple solution to the budget deficit that requires no pain, no sacrifice. Wave a magic wand, and the deficit disappears. Well, I think my colleagues know better than that. To reduce the deficit, you have to reduce spending, you have to raise revenues, you have to do both.

The Dannemeyer amendment first of all violates the bipartisan budget agreement between the congressional leadership and the White House. It does so because it provides no spending reductions in defense or entitlement programs and ignores the revenue-raising proposals in the agreement. That agreement was fashioned by both sides of the leadership in conjunction with the President and should be enforced.

The Dannemeyer substitute claims most of its deficit reduction by the issuance of 40-year gold bonds at 1-percent interest. It also assumes substantial new revenues from a one-time tax amnesty.

The issuance of gold bonds and adoption of a gold standard as a means of reducing the deficit is, at best, a fantasy; at worst, a potential treat to the Nation's economy. First, while it is possible that lower interest rates would be owed on gold bonds, there is little credible evidence that bond buyers would accept a 1-percent interest rate on these bonds. Nations have abrogated gold payments before, and bond buyers would surely be suspicious of that possibility. Gold has become a highly speculative commodity, and that would clearly be reflected in demand for these bonds.

If we adopted a gold standard, some of these problems might disappear. However, a gold standard would have a potentially disastrous impact on the U.S. economy. Mr. Dannemeyer has cited comments made by the current head of the Federal Reserve, Alan Greenspan, in support of a gold standard and gold bonds. However, those comments were made in 1981. In 1987, Mr. Greenspan stated that it would be impractical at this time to move to a gold standard.

The fact is that a gold standard would result in dangerous economic fluctuations, as it did in the past. There would be little flexibility to protect the Nation from the kind of depressions that hit this country in the 19th century and earlier in this century.

Finally, with regard to a gold standard, we should not forget that the major gold producers in the world are the Soviet Union and South Africa. The idea of basing our economic future on the friendliness and political stability of those two nations strikes me as extremely dangerous.

The other critical element of the Dannemeyer amendment is a one-time tax amnesty. The amendment assumes not only $15 billion in additional revenues during the current fiscal year but the same amount of additional revenues every year in the future.

The Congressional Budget Office has estimated that a tax amnesty would have a one-time, 1-year effect of an additional $1 billion in Federal revenues. The experience of States which have had amnesties does not suggest a permanent year-after-year increase from a one-time amnesty. Furthermore, since Federal enforcement is already considerably stronger than that of many amnesty States, even the one-time Federal effect probably would not be as proportionately large as the effect in those States.

In short, the Dannemeyer substitute takes "smoke-and-mirrors" budgeting, and turns it into an art form. I hope my colleagues will have the good sense to oppose it.

□ 1030

Mr. DANNEMEYER. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Chairman, I rise to speak in favor of the basic driving concept in the Dannemeyer budget. I frankly, with all due respect to the gentleman from California [Mr. DANNEMEYER], my good friend, would not advocate this as the final passage budget. I think it has some weaknesses. I think, in some areas like science and technology, that the bipartisan budget is better, and I am urging every one of my colleagues on the Republican side to vote yes on the final passage, and I commend the bipartisan effort on both sides of the aisle by the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] and their colleagues who generated the bipartisan budget.

However, Mr. Chairman, I do want to send a signal to Secretary Brady and the administration that the basic underlying premise of what the gentleman from California [Mr. DANNEMEYER] is doing is intellectually sound and is worth being looked at.

For most of the history of the modern world issuing debt denominated in gold was considered automatic sound common sense. It was the only practical way to do business, and the result was there was no inflation premium, and people knew that, if they took a dollar of their hard-earned savings and they loaned it to the Government, they were guaranteed getting an honest dollar back. The result was historically rates as low, I believe, as 1 percent on 100-year railroad bonds in the 19th century because people knew that it was an honest 1 percent, that it was real money.

Mr. Chairman, for the last 20 years, partly because of the tragedy of closing the gold window in 1971, we have had nothing but pure paper money. The attitude of people who actually have a current value, the money in their wallet is, since I know the government will probably cheat me through inflation, I had better charge a high enough interest rate for my money to justify taking the risk of loaning it to the government rather than buying property, or buying diamonds, or buying pictures or investing in other real properties. The result is we pay far higher interest rates than at any other time in the peacetime history of the United States.

This has three effects. First of all, it raises the general interest rate so that, if one is trying to buy a house, or trying to buy a farm, trying to invest in a business, trying to do any of the things people borrow money for, it is much more expensive.

Second, it costs the government a great deal more money. It is not true to say that there is nothing that can be done about interest on the debt. There is absolutely overwhelming historical proof that gold-backed or gold-denominated bonds would have a far lower interest premium, that in fact the Government would pay far less on the debt.

Third, it has a very profound effect on the Third World debt. The fact is, if we had 2½ percent interest rates, Mexico, and Argentina, and Venezuela, and Brazil would be much healthier countries. They would have much more interest to pay to the banks, but they would be paying that interest in real money that would be honest and that would be stable.

Mr. Chairman, what the gentleman from California [Mr. DANNEMEYER] is suggesting, and what many of us believe should be done, is to follow the pattern of history, to be willing to take the risk of offering some bonds that are backed by gold so that we are telling people who buy the bonds up front:

> We guarantee you an honest value at the end of 10 years, or 20 years, or 30 years, or 40 years. You will get back what you put in. All we ask you to do now is let us pay the rent, which is interest on the money you're loaning us.

My guess is that the highest interest rate we would have for U.S. bonds under those circumstances is about 2½ percent, but we would then also have stopped inflation because the Government would not be able to inflate its way out of its debt because, by definition, it would have to pay more in paper money to buy back the gold-backed bonds.

Mr. Chairman, for 200 years almost, from 1789 to 1933, that was the only way, except for the Civil War, we ever had any kind of bonds issued. Starting in 1933 we gradually gave up on that. The result has been inflation which has weakened the interest in savings, it has weakened America as a country, and it has put a greater and greater debt burden on people because they pay extraordinary interest rates. Only in wartime, prior to the modern era, only in wartime would anyone ever have considered 8, or 9, or 10 percent interest rates.

I cannot urge the passage of this budget, but I can urge the passage of the concept. I do think that it is important that we indicate strong support for the idea that issuing a gold-backed bond makes sense, and I would encourage those Members willing to focus on that particular part of the budget to help us to make a breakthrough in sending the signal that there are a significant number of Members who believe the time has come to reduce the interest component of the debt, to issue honest dollars and to build an integrity against inflation in the future.

Mr. PANETTA. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. JAMES. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Florida.

Mr. JAMES. Mr. Chairman, I come here today to applaud the efforts of my colleagues in the House, who have crafted this bipartisan budget accord. Great fiscal demands are being placed upon the Federal Treasury, and we are still faced with a staggering deficit and debt. But while no one is claiming that this proposal offers any long-term solutions, it is the critical first step toward fiscal solvency and accountability. For the most part, this budget resolution provides a blueprint that will meet the needs of the American people, and it does so without raising taxes. Defense, education, the war on drugs, justice, health care, child care, veterans programs, the elderly, and our Federal and military retirees are provided for. My one grave concern is with the shortfall of funding for Medicare. We cannot continue to pare away at Medicare spending without reducing the quantity and or the quality of care. I look forward to working with my colleagues in the months and weeks ahead to responsibly identify additional funds for Medicare programs. Again, I congratulate the Members on both sides of the aisle who helped forge this agreement. In order to meet the pressing fiscal needs of our Nation, while bringing our budget into balance, we must remove any partisan discord from the process. This is an important first step toward accomplishing that.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the amendment of the gentleman from California [Mr. DANNEMEYER].

As the distinguished chairman of the Committee on the Budget, the gentleman from California [Mr. PA-

NETTA], pointed out, the principal deficiency for us is that the amendment violates the summit agreement negotiated between congressional leaders and the President of the United States.

The administration and the Congress agreed on a national defense number. The Dannemeyer amendment increases the defense outlay number, about 4 billion, slightly more, over that number. There is less money for general science, space and technology in the Dannemeyer budget. There is more in most of the other functions in the Dannemeyer budget.

Mr. Chairman, the net of it is that the Dannemeyer amendment explicitly violates the agreement which the chairman and I are bound to bring to the House and which he and I are bound to defend.

□ 1040

I hope that the Members of the House in analyzing the Dannemeyer amendment, whatever their feelings are about its value or lack thereof, would remember that overriding feature: it violates the agreement.

With respect to the Dannemeyer budget, I think there are all kinds of positions by economists and philosophers about how much money you are going to save if you issue gold-backed bonds. I think most of us would concede to the gentleman from California that it is a worthwhile experiment and some ought to be issued.

If in making this amendment over the years and making the point that the gentleman has been making, he is successful in urging the Treasury to begin some of this valuable experimentation, he will have done the Republic a great service.

On the other hand, to take the leap of faith with the gentleman from California [Mr. DANNEMEYER] and assume that you can sell a large volume of these bonds at a 1 percent interest rate is more than I could do if I were charged with the management of the economy of this country.

The gentleman's amendment also assumes a tax amnesty program which is supposed to collect large quantities of money, and his amendment does not include any tax revenues as were included under the agreement.

Again I say, it is not so much the concept of his amendment that is bothersome to me, it is simply that the amendment does not meet the requirements of the negotiated agreement, and therefore is something that ought not to be approved by this House, by the Congress, nor approved by the President.

So I think in its best light we will take it as a step toward experimenting with this kind of gold-backed security in which the gentleman has such great faith. We wish him great success in that effort, and a little less success in passing his amendment.

Mr. DANNEMEYER. Mr. Chairman, I yield 3 minutes to my colleague, the gentleman from New Hampshire [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. Chairman, the reason I am rising in support of the Dannemeyer amendment is for a very simple reason. When I was elected to this job they said there are two things you cannot do anything about, the weather and the interest on the national debt.

Well, I would agree on the weather, but it is obvious that today we can do something about the interest on the national debt.

I do not know what we are afraid of. I think it is time we try gold-backed bonds. That is not the same as the gentleman from California seems to think, going on the gold standard. It is not going on the gold standard.

Right now every citizen of the United States has these little IOU's that say Federal Reserve note, and our bonds are the same thing. They are paper. They say the Government 30 years from now will give you more paper if you buy our bonds or our Treasury bills.

All we are asking is that we try an experiment in lower interest rates. The biggest component of the Federal budget that is out of control is the interest on the debt. The Dannemeyer gold-backed bond gives us the opportunity to try to sell some of that debt down at 1 or 2 percent.

The gold is in Fort Knox. It is not connected to any bonds. Let us make that connection. Vote for the Dannemeyer amendment. There is nothing to fear but fear itself, because if we end up with interest on that debt at 1 or 2 percent, we will all be happy, and that is one of the things at least that we will be able to change.

Finally, I would point out that Alan Greenspan in this decade had called for a return to the gold standard. He has not recently done that, but in recent conversations he certainly indicated an experiment with gold-backed U.S. bonds is something that is worth trying. I think it is worth trying. We ought to bite the bullet, try it today. Vote for the Dannemeyer amendment and see if we cannot do something to try to lower the interest on the national debt.

Mr. DANNEMEYER. Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. Mr. Chairman, I appreciate my colleague yielding this time.

Mr. Chairman, for anyone who has served several years in this body to be standing today before you debating what some would say is an off the wall idea about dealing with our debt structure, they may have to question the wisdom of the individual.

Let me tell you why I am here today, because of what I have watched and have watched this Congress fail to do over my 9 years of service, and that is in fact to deal with the debt structure of this country. If you look at the items on which the Budget Committee works, you will find that in 1989 the collective debt structure was $2.8 billion. For 1990, they are just easily saying it is going to be $3.1 billion. For 1991, it is going to be 3.35. For 1992, it is going to be 3.5, 3.7 trillions of dollars, not billions of dollars.

I find it fascinating that this Nation continues to collect rather astronomical debt and in the short time that I have been here, at least as it relates to the whole of this body and our existence as a Nation, we are doing very little about it. We have watched the interest on the debt move to the third largest item in the budget and clearly within my lifetime it will become the second largest, if not the dominant section of the budget this Congress will have to deal with.

It is time that our Budget Committees, compromise or no compromise, recognize the debt structure of this country and deal with it in a forthright way.

Certainly years ago I became involved with the International Finance Division of the World Bank to promote an idea with the nation of Mexico as to how under their current debt structure they might alleviate some of that. We proposed several ideas to them dealing with the ability to market silver-backed bonds to the world that they might use. At that time it was suggested that it was a bad idea, but certainly the nation of Mexico was in such debt and its credibility and its ability to handle that debt was so badly recognized around the world that they had little alternative.

What they found out on their first and now their second issuance by the Central Bank of Mexico is that in fact they can market their debt in a responsible way. They can lower their charges on debt structure. They do find interests around the world that are willing to buy debt structure with the security of silver-backed bonds. That is an example of how this kind of an approach can work.

My colleague, the ranking committee member, the gentleman from Minnesota [Mr. FRENZEL] and I happen to agree that probably it is not a good idea to market all of our debt structure in the manner that is proposed in the Dannemeyer alternative, but it is clearly a responsible effort to look at finding new ways to market some of our debt structure for a substantially lower rate of interest than we currently are doing.

The $170 billion worth of interest charge or debt service that we are telling the American people exists is only a portion of it. This Nation this year, its taxpayers, will pay for interest on both dedicated accounts and paper issued by our Government of some $248 billion. I think that is a disgrace.

I am disappointed that this Congress so quietly and quickly shoves that under the rug as they move to get on through one more cycle in the budget process and then, of course, after this one, just one more cycle again in the budget process is all we have to do. We get by year after year while our financial community grows weak and our ability to deal in a world community grows even weaker and while we beg at the doorsteps of the Japans, the Germanys, and the Frances of this world to buy our debt structure, apologizing for our inability to control our own finances and just hoping they will work with us to keep us afloat for just 1 more year.

□ 1050

Mr. Chairman, we are the big boy on the block in the world economic community, and as the big boy on the block, the little guys cannot kick us off. I suspect if we were less than what we are today in statute, because of our inability and our lack of fiscal responsibility, they would do just that.

Mr. DANNEMEYER. Mr. Chairman, I yield 6 minutes to my colleague, the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of the budget amendment offered by my friend and colleague from California, Mr. DANNEMEYER.

We have seen, for the past few years, a failure on the part of the Congress to deal with the enormous Federal budget deficit. We have seen many Members of Congress blame the deficit on the Reagan defense buildup. This is despite the fact that there has been no real growth in defense spending for the past 5 years. In fact, defense spending in real terms has declined by over 11 percent in the past 5 years. The other reason that some Members say that we have the budget deficit is the Reagan tax cuts. This, I find almost laughable. In the last 5 years, since those notorious tax cuts, revenues have increased by almost $250 billion. That is $250 billion more than we have in revenue with those tax cuts in place.

Our problem, Mr. Chairman, is not high defense spending or cutting the tax burden of this Nation's citizens. Our problem is that the Congress cannot break itself lose from an addiction to overspending. Speaking about congressional spending, Ronald Reagan once compared Congress to a drunken sailor, but noted that this was unfair to the sailor. I would compare the method of spending to that of a credit card shopper totally out of control.

I will have to suggest that this budget amendment being offered, this budget proposal, being offered by the gentleman from California [Mr. DANNEMEYER], actually does not go as far as I would like to see it go. The fact is that I believe that for us to fully come to grips with the high level of deficit spending that we now suffer under we are going to have to remove from the budget, we are going to have to zero out, all spending that is not absolutely necessary to the well-being and security of the United States of America. There are many, many programs which are in our budget which are not absolutely necessary but are mere icing on the cake which are subsidies basically for middle-class, upper-middle-class, and special-interest groups in our country.

Mr. Chairman, I would suggest we could look at the National Endowment for the Arts and Humanities as something that is not absolutely necessary. At a time when we are going to have to be making choices about prenatal care for poor mothers, at a time when we are talking about having to make hard choices with the Head Start program, I see no reason why we should be subsidizing national public broadcasting, which is nothing more than a subsidy for the information and entertainment of the American people. The American people have information and entertainment coming out of their ears by the private sector at no cost to the taxpayers.

Having said that, I want to tell the Members why I am supporting the Dannemeyer "kinder and gentler" budget, my colleague aptly points out in his "Dear Colleague" letter that net interest of our debt comprises 116.7 percent of the entire budget deficit in fiscal year 1990. Interest on the debt, excluding trust fund income, totals $264 billion and comprises 169.2 percent of the deficit.

The chairman of the Budget Committee, the gentleman from California [Mr. PANETTA], pointed out yesterday that we will be here sometime later this year asking for yet another increase in the debt ceiling. CBO projects an increase in the debt of $238 billion. This situation has got to stop somewhere.

In the Dannemeyer budget, he proposes that the United States back its money with gold bonds. Now, I know there are a lot of folks out there who think this issue of the gold standard and gold bonds is a dead horse that should be buried. The exact opposite is true. This country has been living on borrowed money for too long. The Dannemeyer budget, through its sale of gold bonds, would reduce the Federal budget deficit by over $32 billion in fiscal year 1990 and actually give us a small surplus by fiscal year 1993.

The Dannemeyer budget also calls for a tax amnesty plan. I too, think this is a great idea. In fact, I recently wrote President Bush asking that he implement such a plan. Arthur Laffer, the noted economist, has stated that a tax amnesty plan, could bring as much as $60 billion over the next year.

Finally, the Dannemeyer plan would do much toward regaining confidence in the markets and in our economy GNP could be higher.

Mr. Chairman, I ask for support for the plan of the gentleman from California [Mr. DANNEMEYER]. I think it is reasonable. I think it would lead to economic growth and expansion of the tax base, and believe that it would do much to come to grip with this basic budget deficit that is such a challenge to us today.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I had not intended to enter the debate, but I wanted to respond to a comment made by my distinguished colleague, the gentleman from California [Mr. ROHRABACHER], who in his opening remarks indicated that our military budget had declined by 11 percent in real terms over the last 5 years. I think it is important for the gentleman to take a much longer view of this matter.

When I came to Congress in 1971 the military budget was approximately $79 billion. In 1980 that military budget had increased to $143 billion. On the way out the door President Carter for fiscal year 1981 proposed a preliminary budget in excess of $176 billion. The first year of Ronald Reagan he got from this Congress a military budget of $219 billion. Today the gentleman and I are on the floor of Congress dealing with a budget outlay figure of $299.4 billion.

Mr. Chairman, I would suggest to my colleague that if he moves beyond 5 years when this Congress and this country began to realize that we could not spend ourselves into oblivion in the military budget and start taking a more fundamental baseline, I think the gentleman will understand that in real terms our military budget has expanded beyond comprehension. In more specific terms, I would suggest that the figure is a 4.5-percent increase.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I am happy to yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Chairman, I am glad the gentleman brought this point up, because we have conflicts as to whether or not we should be increasing social programs spending or defense spending, and they have been going on for as long as the gentleman and I have been privileged to serve in this body. I think the gentleman would agree with that.

The fact of the matter is the figures clearly show that over the last 20 to 30 years, this Nation has moved from spending about 45 percent of its total Federal spending on defense to a current level of about 25 percent, and the opposite has occurred with respect to domestic programs.

My question is essentially this: We are not in this fiscal problem or mess because we are spending too much on defense; it is because we are spending too much on social programs. Is that not right?

Mr. DELLUMS. Mr. Chairman, with respect to the first assertion of the gentleman that at one point the military budget was 45 percent and is now 25 percent, I take the gentleman back to the Lyndon Baines Johnson era when our budget was a joint budget, when all of the budget was put together. In order for President Johnson to not allow the American people to understand the extent to which we were prosecuting a war in Vietnam, we separated the budget out, so it went from 45 to 25 because we separated the budget our, discretionary budget on the one hand, trust-fund budget on the other.

It seems to me that if the gentleman talks about both of them he will continue to understand that our military budget continues to eat up between 45 and 51 percent of the discretionary spending of this country.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I am happy to yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Chairman, the analysis the gentleman from California has made is, I guess, the only response he could make, because the analysis that I have described is accurate; rather than accept the analysis I have made, the gentleman has separated out certain categories of the budget and is talking about discretionary. We should be talking about apples and apples, not apples and oranges.

□ 1100

Mr. DELLUMS. In the spirit of comity, will the gentleman yield an additional minute to me?

Mr. PANETTA. Mr. Chairman, I yield 30 seconds to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank my colleague for yielding.

One point that we will make in the next several minutes is that at this moment the gentleman and I are reaping the wild winds of decades of benign neglect. There is great human misery in this country. I will try to document it, speak to it as powerfully as I can.

The gentleman from California and I cannot continue to equate MX missiles with the fragile nature of our children in this society who are dying in the streets of America in every major metropolitan center in this country. We have a moral and political and intellectual obligation to address our most precious resource, and that is the children of this society.

Mr. DANNEMEYER. Mr. Chairman, I join with my colleague. I cannot agree with him more on what he just said.

Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to speak in a moment about the budget of the gentleman from California [Mr. DANNEMEYER] which I intend to support. But I think we just heard history turned on its head, and I think we need to clarify just what the situation was in the 1960s.

The fact is the Lyndon Johnson did not separate out the Social Security budget from the regular spending budget in the mid-1960's. What he did, in order to justify the spending we were doing in the Vietnam war, was he put the two budgets together, and that is the time when the Social Security budget came into the unified budget, something we are now trying to reverse again by pulling the Social Security trust fund out of the unified budget. It was not a case of taking them apart, it was a case of putting them together.

Mr. DELLUMS. Mr. Chairman, if the gentleman will yield, he is absolutely correct on that point. It was separated. They brought them together in order to bring down the figure. The gentleman is correct.

Mr. WALKER. But the point is that even after they came together the amount of military spending in the unified budget was at the 45-percent level that the gentleman from California mentioned. It was after the Vietnam war on the basis of the reductions in military spending that we moved down from the 45-percent level down to 30 percent, and ultimately down to about a 25-percent level. That is a calculation based not on the ununified budget but on the unified and so, therefore, it is exactly comparable to suggest that today we are spending some 27 percent of the budget on military whereas in the mid-1960's we were spending 45 percent on military.

It is also very apparent that we have reduced the amount of gross national product that is going into the military. At that point in our history we were spending about 9 percent of the gross national product up to as high at one point as 11 percent of the gross national product on the military. Today we are down to a figure of around 6 percent.

At the same time, spending on social programs has soared as a percentage of gross national product, and in particular the percentage of money that we are spending on health programs in this country has soared as a percentage of gross national product.

But that is not my point here. I just think we need to clarify history a little bit.

My point is that the gentleman from California [Mr. DANNEMEYER] offers us a very important budget submission, because too often what happens around here is that we deal in incremental ideas with regard to the budget, that we assume that everything which is has to be and, therefore, we are going to make incremental changes at the edges. And one of the assumptions that we always have in this body is that we cannot touch the interest expense. We say a number of things. We cannot touch the entitlement programs, we cannot touch defense because defense is something that the administration regards as untouchable and so, therefore, we say that the only place we can get the money is the nondefense discretionary programs. I mean that is kind of the conventional wisdom around here. Then we go about slashing all of those nondefense discretionary programs.

What the gentleman from California is saying in his budget is hey, there is another big category where we spend between $150 and $200 billion a year where if we were willing to be a little creative we could save money. And the way we can save money is to give investors the assurance that the money that they are putting toward Government bonds is redeemable at some point in the future at its real worth, and that by doing that we can cut the interest expense dramatically, maybe as low, in the gentleman's calculations, as 1½ percent.

That would allow us to reduce the manual expenditure for interest to a phenomenally low rate, and get us a lot of dollars that would not have to come out of the hide of nondefense discretionary programs, would not have to come out of the hide of national security, would not have to come out of the hide of entitlement programs.

But nobody likes to think in terms of dramatic reforms because dramatic reforms tend to shake up the establishment. There will be a lot of big money banks in New York that reap huge profits at the expense of Federal taxpayers who are not going to be very happy with the gentleman's approach. There will be a lot of allies around the world who see this as being somewhat destabilizing. They will not be very happy with the gentleman's approach, because it is real reform and it makes real change, it does real things.

But I would suggest that we need to have that kind of a budget presentation out here. We ought not just be looking at incremental changes. We are undergoing dramatic changes in the world, and we need to look at the kind of budget submission that brings about real reform.

I think the gentleman from California is to be congratulated for bringing to the floor a budget that contains real reform. I do not agree with all aspects of his budget. I spoke on the floor yesterday about the need to invest in the future of science, space and technology. The gentleman's budget does not go nearly far enough to do that.

But he does give us an area of resources that we could utilize to address that problem and a number of others if we were really willing to reform.

My guess is that those of my colleagues who vote with BILL DANNEMYER on his budget are probably not going to win. That is a shame, because if we would vote for the Dannemayer budget we would say to the country that this Congress is committed to really reforming the system and not just changing incrementally and, therefore, piling up year after year of debt.

I would urge a vote for the budget of the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I thank my colleague, the gentleman from Pennsylvania for his comments.

Mr. PANETTA. Mr. Chairman, I yield 1 additional minute to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would like to say to my colleague, the gentleman from Pennsylvania [Mr. WALKER], if I might have his attention, I appreciate his comment. Speaking very quickly, the point I was trying to make was that during the prosecution of the Vietnam war when the two budgets were separated, the discretionary budget and the trust fund budget, the military part of the budget began to rise very quickly to 45 percent; in some instances it went even higher. So in order for the President to saddle the amount of money that was required to prosecute the war in Vietnam, the President brought them together and created what is now known as the unified budget, because if we are talking 50 percent of one-half of the budget, and we put it all together, it drops down to 25 percent. And the gentleman is correct, and that was the point I was trying to make to my colleague from California.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. The point I want to make to the gentleman though is when we calculate the unified budget in the 1960's, on the unified budget the spending was at 45 percent for military. That is the point.

Mr. DANNEMEYER. Mr. Chairman, I yield myself my remaining 1 minute.

Mr. Chairman, the comments I would like to make in rebuttal to my colleagues that have expressed some concern about this budget is to quote here from Mr. Greenspan, currently Chairman of the Federal Reserve Board, who wrote an article in the Wall Street Journal in September 1981 where he said in part:

A second advantage of gold notes is that they are likely to reduce current budget deficits. Treasury gold notes in today's markets could be sold at interest rates approximately 2 percent or less.

I believe that is a valid source. I do not think we need to go any further than the Chairman of the Federal Reserve Board in terms of credibility for our ability to sell gold-backed bonds at the rate of interest that I am talking about.

I also have a letter from Morgan Stanley written and signed by Evan Galbraith, former Ambassador of the Reagan administration to France. The letter is written April 1986 to this Member and it says:

I think the United States Government could sell $100 billion of 30-year bonds convertible into gold (not indexed—actually exchangeable for the metal) at an interest rate of no more than 2 percent.

And then he goes on to say that if it was necessary, we could sell even more than that.

For these reasons, I think these are credible sources for all of us on the point as to whether or not this is a feasible idea.

I ask for an aye vote.

Mr. PANETTA. Mr. Chairman, I have no other requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. DANNEMEYER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 72, noes 350, not voting 12, as follows:

[Roll No. 39]

AYES—72

Armey	Bentley	Burton
Ballenger	Bilirakis	Callahan
Bartlett	Bliley	Coble
Bates	Bunning	Combest

Cox	Hiler	Rohrabacher
Craig	Holloway	Roth
Crane	Hopkins	Schaefer
Dannemeyer	Hunter	Sensenbrenner
DeLay	Inhofe	Shumway
Dornan (CA)	Kasich	Smith, Denny (OR)
Douglas	Kyl	Smith, Robert (NH)
Dreier	Lagomarsino	Solomon
Early	Livingston	Spence
Emerson	Lowery (CA)	Stearns
Fields	Marlenee	Stenholm
Gallegly	McCandless	Stump
Gekas	McEwen	Tauzin
Gilman	Miller (OH)	Vucanovich
Gingrich	Moorhead	Walker
Hall (TX)	Nielson	Weber
Hammerschmidt	Packard	Whittaker
Hancock	Paxon	Young (AK)
Hansen	Porter	
Hefley	Ravenel	
Herger	Rhodes	

NOES—350

Ackerman	Dorgan (ND)	Jenkins
Akaka	Downey	Johnson (CT)
Alexander	Duncan	Johnson (SD)
Anderson	Durbin	Johnston
Andrews	Dwyer	Jones (GA)
Annunzio	Dymally	Jones (NC)
Anthony	Dyson	Jontz
Applegate	Eckart	Kanjorski
Archer	Edwards (CA)	Kaptur
Aspin	Edwards (OK)	Kastenmeier
Atkins	Engel	Kennedy
AuCoin	English	Kennelly
Baker	Erdreich	Kildee
Barnard	Espy	Kleczka
Barton	Evans	Kolbe
Beilenson	Fascell	Kolter
Bennett	Fawell	Kostmayer
Bereuter	Fazio	LaFalce
Berman	Feighan	Lancaster
Bevill	Fish	Lantos
Bilbray	Flake	Laughlin
Boehlert	Flippo	Leach (IA)
Boggs	Florio	Leath (TX)
Bonior	Foglietta	Lehman (FL)
Borski	Foley	Leland
Bosco	Ford (MI)	Lent
Boucher	Ford (TN)	Levin (MI)
Boxer	Frank	Levine (CA)
Brennan	Frenzel	Lewis (CA)
Brooks	Frost	Lewis (FL)
Broomfield	Gallo	Lewis (GA)
Browder	Garcia	Lightfoot
Brown (CA)	Gaydos	Lipinski
Brown (CO)	Gejdenson	Lloyd
Bruce	Gibbons	Long
Bryant	Gillmor	Lowey (NY)
Buechner	Glickman	Luken, Thomas
Bustamante	Gonzalez	Machtley
Byron	Goodling	Madigan
Campbell (CA)	Gordon	Manton
Campbell (CO)	Goss	Markey
Cardin	Gradison	Martin (IL)
Carper	Grandy	Martin (NY)
Carr	Grant	Martinez
Chandler	Gray	Matsui
Chapman	Green	Mavroules
Clarke	Guarini	Mazzoli
Clement	Gunderson	McCloskey
Clinger	Hall (OH)	McCollum
Coelho	Hamilton	McCrery
Coleman (TX)	Harris	McDade
Collins	Hastert	McDermott
Conte	Hatcher	McGrath
Conyers	Hawkins	McHugh
Cooper	Hayes (IL)	McMillan (NC)
Costello	Hayes (LA)	McMillen (MD)
Coughlin	Hefner	McNulty
Courter	Henry	Meyers
Coyne	Hertel	Michel
Crockett	Hoagland	Miller (CA)
Darden	Hochbrueckner	Miller (WA)
Davis	Horton	Mineta
de la Garza	Houghton	Moakley
DeFazio	Hoyer	Molinari
Dellums	Hubbard	Mollohan
Derrick	Huckaby	Montgomery
DeWine	Hughes	Moody
Dickinson	Hutto	Morella
Dicks	Hyde	Morrison (CT)
Dingell	Ireland	Mrazek
Dixon	Jacobs	Murphy
Donnelly	James	Murtha

Myers	Rogers	Stallings
Nagle	Rose	Stangeland
Natcher	Rostenkowski	Stark
Neal (MA)	Roukema	Stokes
Neal (NC)	Rowland (GA)	Studds
Nelson	Russo	Sundquist
Nowak	Sabo	Swift
Oakar	Saiki	Synar
Oberstar	Sangmeister	Tallon
Obey	Sarpalius	Tanner
Olin	Savage	Tauke
Ortiz	Sawyer	Thomas (CA)
Owens (NY)	Saxton	Thomas (GA)
Owens (UT)	Scheuer	Thomas (WY)
Oxley	Schiff	Torres
Pallone	Schneider	Torricelli
Panetta	Schroeder	Towns
Parker	Schuette	Traficant
Parris	Schulze	Traxler
Pashayan	Schumer	Udall
Patterson	Sharp	Unsoeld
Payne (NJ)	Shaw	Upton
Payne (VA)	Shays	Valentine
Pease	Shuster	Vander Jagt
Pelosi	Sikorski	Vento
Penny	Sisisky	Visclosky
Perkins	Skaggs	Volkmer
Petri	Skeen	Walgren
Pickett	Skelton	Walsh
Pickle	Slattery	Watkins
Poshard	Slaughter (NY)	Waxman
Price	Slaughter (VA)	Weiss
Pursell	Smith (FL)	Weldon
Quillen	Smith (IA)	Wheat
Rahall	Smith (MS)	Whitten
Rangel	Smith (NE)	Williams
Ray	Smith (NJ)	Wilson
Regula	Smith (TX)	Wise
Richardson	Smith (VT)	Wolf
Ridge	Smith, Robert (OR)	Wolpe
Rinaldo		Wyden
Ritter	Snowe	Wylie
Roberts	Solarz	Yates
Robinson	Spratt	Yatron
Roe	Staggers	Young (FL)

NOT VOTING—12

Bateman	Lehman (CA)	Morrison (WA)
Clay	Lukens, Donald	Pepper
Coleman (MO)	McCurdy	Rowland (CT)
Gephardt	Mfume	Roybal

□ 1130

Messrs. ALEXANDER, FOLEY, HYDE, UDALL, and SHARP changed their vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. DELLUMS: Strike all after the resolving clause and insert in lieu thereof the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,085,000,000,000.
Fiscal year 1991: $1,180,400,000,000.
Fiscal year 1992: $1,257,600,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,350,500,000,000.
Fiscal year 1991: $1,423,100,000,000.
Fiscal year 1992: $1,472,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,181,700,000,000.
Fiscal year 1991: $1,243,910,000,000.
Fiscal year 1992: $1,285,570,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $92,400,000,000.
Fiscal year 1991: $63,510,000,000.
Fiscal year 1992: $27,970,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $796,600,000,000.
Fiscal year 1991: $867,500,000,000.
Fiscal year 1992: $925,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $20,100,000,000.
Fiscal year 1991: $35,700,000,000.
Fiscal year 1992: $41,400,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $69,925,000,000.
Fiscal year 1991: $75,200,000,000.
Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,060,750,000,000.
Fiscal year 1991: $1,110,775,000,000.
Fiscal year 1992: $1,139,375,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $961,625,000,000.
Fiscal year 1991: $1,012,260,000,000.
Fiscal year 1992: $1,044,695,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $161,525,000,000.
Fiscal year 1991: $144,760,000,000.
Fiscal year 1992: $119,195,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.
Fiscal year 1991: $3,374,000,000,000.
Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:
(A) New direct loan obligations, $19,025,000,000.
(B) New primary loan guarantee commitments, $107,325,000,000.

Fiscal year 1991:
(A) New direct loan obligations, $19,425,000,000.
(B) New primary loan guarantee commitments, $114,875,000,000.

Fiscal year 1992:
(A) New direct loan obligations, $19,150,000,000.
(B) New primary loan guarantee commitments, $119,700,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:
(A) New budget authority, $270,100,000,000.
(B) Outlays, $283,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:
(A) New budget authority, $270,300,000,000.
(B) Outlays, $283,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:
(A) New budget authority, $281,600,000,000.
(B) Outlays, $283,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:
(A) New budget authority, $18,800,000,000.
(B) Outlays, $18,900,000,000.
(C) New direct loan obligations, $1,775,000,000.
(D) New primary loan guarantee commitments, $6,425,000,000.

Fiscal year 1991:
(A) New budget authority, $20,000,000,000.
(B) Outlays, $19,660,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $6,675,000,000.

Fiscal year 1992:
(A) New budget authority, $21,500,000,000.
(B) Outlays, $20,440,000,000.
(C) New direct loan obligations, $1,850,000,000.
(D) New primary loan guarantee commitments, $6,950,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1990:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:
(A) New budget authority, $15,075,000,000.
(B) Outlays, $14,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:
(A) New budget authority, $15,700,000,000.
(B) Outlays, $15,070,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $4,100,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $6,200,000,000.
(B) Outlays, $4,260,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $4,430,000,000.
(C) New direct loan obligations, $2,250,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $17,600,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $19,000,000,000.
(B) Outlays, $18,300,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $20,000,000,000.
(B) Outlays, $19,040,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $20,300,000,000.
(B) Outlays, $17,000,000,000.
(C) New direct loan obligations, $10,050,000,000.
(D) New primary loan guarantee commitments, $5,400,000,000.
Fiscal year 1991:
(A) New budget authority, $20,500,000,000.
(B) Outlays, $17,680,000,000.
(C) New direct loan obligations, $10,225,000,000.
(D) New primary loan guarantee commitments, $5,475,000,000.
Fiscal year 1992:
(A) New budget authority, $20,300,000,000.
(B) Outlays, $18,390,000,000.
(C) New direct loan obligations, $9,675,000,000.
(D) New primary loan guarantee commitments, $5,425,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $10,300,000,000.
(C) New direct loan obligations, $5,200,000,000.
(D) New primary loan guarantee commitments, $65,500,000,000.
Fiscal year 1991:
(A) New budget authority, $18,200,000,000.
(B) Outlays, $14,710,000,000.
(C) New direct loan obligations, $5,500,000,000.
(D) New primary loan guarantee commitments, $71,300,000,000.
Fiscal year 1992:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $15,350,000,000.
(C) New direct loan obligations, $4,375,000,000.
(D) New primary loan guarantee commitments, $70,300,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $30,900,000,000.
(B) Outlays, $30,300,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $31,900,000,000.
(B) Outlays, $31,510,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $33,000,000,000.
(B) Outlays, $32,770,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $8,200,000,000.
(B) Outlays, $7,500,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
Fiscal year 1991:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $8,050,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $525,000,000.
Fiscal year 1992:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $8,370,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $550,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $42,500,000,000.
(B) Outlays, $41,900,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,125,000,000.
Fiscal year 1991:
(A) New budget authority, $49,000,000,000.
(B) Outlays, $47,580,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $51,500,000,000.
(B) Outlays, $50,410,000,000
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $58,900,000,000.
(B) Outlays, $57,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $70,100,000,000.
(B) Outlays, $68,920,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $77,000,000,000.
(B) Outlays, $75,810,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $124,400,000,000.
(B) Outlays, $101,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,250,000,000.
(B) Outlays, $111,430,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,550,000,000.
(B) Outlays, $126,270,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $191,200,000,000.
(B) Outlays, $148,300,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $217,425,000,000.
(B) Outlays, $158,230,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,800,000,000.
(B) Outlays, $164,400,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $317,300,000,000.
(B) Outlays, $246,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $317,300,000,000.
(B) Outlays, $264,810,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $320,000,000,000.
(B) Outlays, $279,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $31,500,000,000.
(B) Outlays, $30,500,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $31,720,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:

(A) New budget authority, $33,000,000,000.
(B) Outlays, $32,990,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $12,500,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $12,580,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, $13,090,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,500,000,000.
(B) Outlays, $10,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,710,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, $11,140,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $173,200,000,000.
(B) Outlays, $173,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $167,000,000,000.
(B) Outlays, $167,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $155,000,000,000.
(B) Outlays, $155,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1990:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1990:
(A) New budget authority, −$36,800,000,000.
(B) Outlays, −$39,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$39,500,000,000.
(B) Outlays, −$40,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$39,500,000,000.
(B) Outlays, −$40,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. DELLUMS] will be recognized for 1 hour and 30 minutes, and a Member opposed will be recognized for 1 hour and 30 minutes.

Mr. PANETTA. Mr. Chairman, I rise in opposition and would like to be granted the time in opposition to the amendment in the nature of a substitute. I will yield 45 minutes of my time to the gentleman from Minnesota [Mr. FRENZEL] and I ask unanimous consent that he be allowed to yield that time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if I may have the attention of the Members, it is with a great deal of pride and honor and pleasure that I address the Members today in my capacity not only as a Representative from the Eighth Congressional District of California but as a chairperson of the Congressional Black Caucus for the 101st Congress. In that capacity it is my responsibility to introduce to the Members an amendment in the nature of a substitute offering a budget for fiscal year 1990.

My responsibility is to lay out the parameters of that budget, and I choose to do so, Mr. Chairman, against the backdrop of the following comments: We Members of the Congressional Black Caucus feel very strongly that the most significant and important business that we as a body can engage in is the establishment of a national budget. As I have stated on more than one occasion, if I were asked to read one document in preparation for a visit to another country in order to ascertain as much as I could about that nation, I would seek to read its national budget, because where a nation spends its money is a statement about its priorities, and its priorities in turn reflect the nature of its values.

If indeed the value of our national budget is economic and social justice for human beings, I would assert here with all due respect that too many administrations and, more often than not, this Congress of the United States have failed the moral test of the responsibility of what a national budget ought to be.

A great deal of discussion, Mr. Chairman, goes into how we reduce the budget deficit. That has now become the political and statutory imperative. We will address that in the course of our remarks. But there is another extraordinary imperative, Mr. Chairman, that you and I have an obligation to address.

At this very moment there is great human carnage taking place in this country. A great deal of focus has fallen upon the District of Columbia as the drug capital and crime capital of America, but I would suggest that the problems of drugs and the violence associated with those problems are a systemic societal problem that plagues this entire Nation.

I find it tragic that among young black children in America between the ages of 14 and 25 who find themselves living in urban America, there is a 1-in-20 chance that any child in that category will die a violent death. During World War II the ratio was 1-to-50 that an American troop would die in combat. We are now reaping a wild wind of extraordinary neglect.

Mr. Chairman, I would remind this body that in the 1960's the Koerner Commission—and I would paraphrase this—made the following statement: "That if we continue to engage in the policies of benign neglect, denying the young men and women who are the residents of the ghettos and the barrios of America, the violence that we euphemistically referred to as "race riots" in the 1960's would inevitably be revisited upon America, but the second time it would be more insidious and more destructive."

What can be more insidious and destructive than our children killing each other, our babies having babies, and babies being born into this country as drug addicts and AIDS victims?

The tragic reality is that we have pursued the set of priorities that has allowed us to build on a movement to military madness and terror as we produce the policies of war and materialism. We are now on a geometric basis realizing that our children are dying all over America, in every urban metropolitan center.

Thirteen million children in America live in poverty. We are told that 9.6 million blacks live in poverty. Millions of our people are functionally illiterate. Many of our senior citizens live in fear and pain. Many of our workers are denied the dignity and respect of the ability to work. These are the realities of the most wealthy and powerful Nation in the world.

□ 1140

So, Mr. Chairman, we, as Members of the Black Caucus, present a challenge and we are attempting to speak to the American people by saying, "We must now learn from this moment. We cannot kill all of our children. We cannot imprison all of our people. We will not solve our problems with massive displays of force. But it is in compassion, it is in reason, it is in understanding that our future lies."

We are about the business, sisters and brothers in this body, of losing an entire generation of our children, an extraordinary and precious resource, and I would suggest to my colleagues that a society that destroys its children is a society on its way to dying.

Therefore, Mr. Chairman, we offer a new vision. We say, "Let us turn this corner. Let us learn from this moment. Let us begin to address a budget that speaks to the reality of American problems."

We have fashioned a budget that, one, supports those social programs that are proven in their capacity to alleviate pain and create hope for the future. We initiate new programs. We fashion a military budget, not on the obsolete notions of the cold war, but we take into account the new realities of the world.

Mr. Chairman, if Margaret Thatcher, who is no flaming radical by anyone's definition, could suggest that the cold war is over, why can we not with reason begin to understand that?

President Reagan's ostensible assumption, upon which he built the most extraordinary military budget increase in the history of this country, was, "Let's send the Soviet Union to the table." So, Mr. Gorbachev is now standing at the table, and tragically he stands alone while we continue to engage in the policies of building more and more massive weapons of destruction pursuing the absurd notions of nuclear war fighting capability.

Mr. Chairman, we have fashioned a different budget attempting to march off in a very different direction by finally making substantive progress in budget deficit reduction. We are prepared to tax.

Now let us talk about the budget. There are several ways that the Black Caucus budget is different from Mr. Bush's and different from the so-called bipartisan agreement.

No. 1, we reduce the budget deficit lower than any proposed budget that will come to this floor. Our budget deficit is $92.4 billion, but we do not do it with a lot of smoke and mirrors. We do not accept the President's assumption that he will derive the $5.7 billion by the sale of assets. We adjust the rosy picture of inflation. We take out $3.5 billion. We do not accept the President's notion about capital gains, so we do not accept the $4.8 billion.

Mr. Chairman, if we were prepared to accept all of this smoke and mirrors, our budget deficit would be $70 some odd billion, but we feel that, if we are going to reduce the deficit, let us do it honestly, and we come to $92.4 billion. That is one difference.

The second difference, Mr. Chairman, is the issue of taxes. President Bush said, "Watch my lips: no new taxes," and many of us on both sides of the aisle in the quiet and solitude of the Cloakroom are in our own minds realizing that, if we are going to address the human misery of people and simultaneously deal with the deficit, there is now a way around it.

I respect the chair of the Budget Committee who has said with candor and honesty that this fiscal year 1990 budget is a slide-by. We are simply dodging a bullet for fiscal year 1990. We are forcing ourselves to make extraordinary decisions in fiscal years 1991, 1992, and 1993.

We said, "Let's step up to the plate."

Our colleagues on the Democratic side in a great display of bravado and leadership said, "We think we ought to look at taxes, but let's wait for Mr. Bush to do it."

Mr. Chairman, I was elected to assert responsibility and leadership, and 23 other black Members of Congress said, "We are prepared to stand up and confront the issue of taxes," and frankly I believed we do it in the finest tradition.

Mr. Chairman, we tax the rich, the top 1 percent, taxable income of $208,510, for a family of four. We move them up from a marginal tax rate of 28 percent and make them pay what my colleagues and I pay, at 33 percent. That brings us $3.6 billion.

We then say for fiscal years 1990, 1991, and 1992 that we will place a surtax on the top 10 percent of the corporate taxpayers in this country. That brings us $6.9 billion.

We then say we will place a surtax for fiscal years 1990 through 1992 on the top 5 percent of the individual taxpayers in this country. If my mathematics, my memory, serves me correctly, that is $12.1 billion.

My colleagues, add all that up. We come to $20.1 billion in new taxes to begin to address the deficit, not with smoke and mirrors, but with reality.

Tom Oliphant, a columnist for the Boston Globe, said that the Congressional Black Caucus budget is the only honest alternative being presented on this floor because we stepped up to the plate and we were prepared to make the difficult choices. We all know that taxing is going to be a reality. We were prepared simply to stand up with integrity and with dignity and say, "This is the moment it must be done." So, we made that change.

Mr. Chairman, the next change is that we place billions of dollars in social programs, $41 billion in nonmilitary spending beyond Mr. Bush's proposal, $13.5 billion more in discretionary moneys than the so-called bipartisan agreement. Why? We did so because we believed that this moment is pregnant with potential. It is my colleagues and I, the adults of this generation, who must stop this madness.

We have to turn the corner in America, Mr. Chairman, and learn from this moment and realize that to continue the policies of benign neglect would allow these problems to expand on a geometric basis. My colleagues and I have talked on the floor, in the Cloakroom, in our committees, and we all know that our society hangs at this moment at a very fragile place.

Why were we elected? We were elected to lead, not to back into the 21st century, but to march forward with a vision, and we offer that different vision in health, in education, in housing, in all the programs that speak to the needs of people.

Mr. Chairman, we have addressed the small family farmer who is living in misery. We have addressed that. To the people who need rural electrification, we address it. To the young mothers who need infant care, we address it. To the people suffering with AIDS, we address it. To the children suffering in drug addiction, we attempt prevention and service. We fully fund the drug program.

Mr. Chairman, we have tried to give hope to America, and we show that it can be done with dignity, but, more importantly, for the purposes of those of my colleagues who carry out their fiduciary responsibilities diligently, we do it with fiscal responsibility finally.

We looked at the military budget, and our military budget is different in that we take $17 billion out of outlays, which means we end up with a $283 billion military budget in outlays, no incredible, radical, extreme proposal; $283 billion is a lot of money, but, if we begin to turn the corner and realize that we do not need to continue modernizing our nuclear forces, this two-missile mania that is permeating the Congress, this two-missile love-in, will have us spend in excess of $30 some odd billion building nuclear weapons we do not need.

The Scowcroft Commission slammed shut for all time the absurd argument that has been rattling around the Congress for almost 20 years known as the window of vulnerability. We want to build a Stealth bomber, B-2. B-1 is having problems. It was an obsolete weapon, and so will B-2. We are playing games with the INF Treaty by giving the military the capacity to undermine the INF Treaty. We say we do not need these weapons. Star wars is no longer being propagandized as a population protection. Now we are coming to the honest reality of all that was ever about was a point of defense of nuclear weapons. Why do we need all this madness if there is no window of vulnerability?

□ 1150

If we get the Soviets to the table and they have now said we are at the table, then it seems to be logic and reason and fiscal responsibility and a commitment to our children and their future should require that we now move to the table, not begin to spend ourselves into oblivion. We said we would spend the Soviets into oblivion, expanding our military budget. The tragic reality is that we spend ourselves into oblivion as well with great budget deficits and mounting social problems magnifying themselves geometrically.

Mr. Chairman and sisters and brothers of this Congress, we are reaping the wild winds of that neglect.

So we cut $17 billion. We tax $20.1 billion. We accept those assumptions that we think we can rationalize, but those that we cannot, we did not accept. So we feel that we have come here with a significant budget that indeed makes sense.

To summarize, in Defense we cut $17 billion.

In International Affairs, we add over and above the budget of Mr. Bush, these are my figures in outlays, $1.7 billion.

In General and Space Technology, we expand the program. We reduce the program by $1 billion to say that anytime NASA is doing military research it ought to be in the military budget. It should not be in NASA's budget.

So we expand the programs for safety, shelter, and educational opportunities.

In Energy, we plus up the budget $1 billion.

In Natural Resources and the Environment, we are environmentalists. We believe that you must protect the fragile nature of our ecological system. Our children have a right to inherit a world of clean air and clean water, so we put $3.2 billion more in that budget.

In Agriculture, while most of us are urban, we understand the problems of rural America. We understand that America is fed by the people who live and reside, function and work, in rural America. We add $1.5 billion.

In Commerce and Housing Credit, we add $4.1 billion. If we are going to solve the housing problems of this country, those who are homeless on the streets of America, we must expand affordable housing for low- and moderate-income people. We did that.

Transportation, let us rebuild America's infrastructure. Let us repair America's highways, put people to work.

We add $1.2 billion in Community and Regional Development, $.9 billion in education, training, employment, and social services. We add $5.4 billion. Much of that money is in new programs, new initiatives, to capture our children. We must begin to compete for their attention and guarantee the future for them.

In Health, a significant issue of great concern to the American people, we add $3.5 billion.

In Medicare, $6.5 billion.

In Income Security, including subsidized housing, $10 billion.

Social Security, $0.3 billion.

We give people their COLA's. We do not deny them that.

We do not challenge Social Security. People should have a right to it. Our senior citizens should not feel fear that in some way we will take from them that which we bargained for in good faith and they thought they bargained for in good faith.

Veterans' benefits, we just passed an amendment, our budget had already put $1 billion more to expand services, expand benefits, expand programs for our veterans who have served this Nation.

Finally, in Justice and drug programs, we added $1.8 billion over and above Mr. Bush, over and above the so-called agreement.

Our emphasis was on expanding education prevention and treatment.

So finally, Mr. Chairman, it is with a great deal of pride that we offer this budget today. I am in no way speaking down to these other budgets, but I do feel strongly that this is the only honest budget that is coming before you. It has integrity. We assume our responsibility to be accountable to our voters.

We said that we would not lie to you. We are now enthralled in a great campaign of ethics and morality of individuals in this body, but what about our collective ethics in denying our children their future? What about the collective immorality of addressing the concerns of people? We get caught up in individual ethics, but what about our collective responsibilities to society?

This budget assumes that integrity, that morality, and those sets of ethical responsibilities that we have.

Cut the military budget, begin to move up to addressing the realities of this world. Let us begin to march in the direction of world peace, nuclear disarmament, reviving détente, reduction of international tension.

Let us tax the wealthy. These are the people who benefited from the Reagan era. We all in this body know it. Any intellectually honest person is clearly aware of that.

Finally, let us begin to address the social problems of our Nation.

At the bottom line, we have met and gone beyond the Gramm-Rudman deficit with $92.4 billion in deficit reduction, all the way down to $20 some-odd billion 3 years out. We show you how to do it, not with smoke and mirrors, but with integrity.

Mr. FRENZEL. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, the Congressional Black Caucus alternative official year 1990 budget is an interesting statement of politics and philosophy. From the standpoint of us who have the responsibility to carry the budget resolution, we have to look at it in that way because we surely cannot support it.

Their budget exceeds the agreement negotiated between the administration and the congressional leadership and it violates the budget resolution produced by the Budget Committee.

It is what I think can be described, with at least some justification, as a radical change from the agreement that we have before us in the form of House Concurrent Resolution 106.

What it does is reduce defense outlays by about $16 billion. In the agreement, the defense number was both a floor and a ceiling. To take $16 billion out of a defense number, for whatever reason, certainly is not just a minor violation of the agreement. It is a gross violation of the agreement. Therefore, it becomes an unsustainable number in this particular budget.

Also, the Black Caucus budget's other most radical feature is that it increases taxes by $25 billion. The budget itself takes credit for raising $20 billion, but of course that is laid on top of the Presidential recommendation for $5.3 billion, and I believe the total exceeds $25 billion.

Now, I have not seen a lot of Members of Congress here who want to come forward to confess their affliction with the Mondale disease to take credit for authoring $25 billion in new taxes.

The taxpayers do not want it. The people of America have spoken very clearly on that issue. For those who support the Black Caucus budget, it should be quite clear that when they do, they carry the responsibility for $25 billion extra taxes.

□ 1200

That is a burden that most of us would not like to carry. In addition to reducing defense, the CBC budget reduces the committee amount for space and science function, and it also reduces the Social Security function.

Mr. Chairman, with due respect to the gentleman from California, the maker of the amendment, I believe that Social Security decrease is a technical difficulty that arises because the budget, at least as it was given to me, antedates the creation of the House committee budget, and I am sure it is a technical estimating amount, and I will expect that somewhere in the discussion, or in the revision, that there will be an explanation later. This very excellent comprehensive Black Caucus alternative budget paper says that it is the intention not to reduce Social Security. I believe that is in fact the case.

With those three exceptions, every other function is increased by a very substantial amount. International affairs is up $2 billion. I think it is important that the President have money to be able to support our foreign policy, but I have not heard a lot of our constituents asking for us to increase funding for international programs, nor to give away more of our taxpayers' money overseas.

Spending in agriculture is up by $2 billion in this particular budget over the House's bill. There is a transportation function which is up just short of $3 billion. Health spending is up $1 billion; Medicare up $3 billion.

Mr. Chairman, as we go through each function, we find just a huge amount of spending. The things that the Black Caucus want to fund are good and worthy programs, but, for instance, in education where it increases the committee spending by $2.8 billion, the committee has already increased it by billions.

House Concurrent Resolution 106 has taken care of all the new initiatives, at least all that the President and the Speaker's committee could crowd into that function, and whatever the Dellums amendment spends above that has to be for even newer and even more grandiose programs than those that are already crammed into this budget. There is, an enormous amount of new spending.

When we get done with adding $20 billion more in taxes than the budget resolution does and chopping $16 billion more from the defense budget than the House resolution does, we spend so much of that $36 billion that all we have got left over to take down the deficit is a few billion dollars. The difference is about $7.5 billion less in the Black Caucus budget, as I read it, but I think Members need to be aware of the source of the funds for that $7.5 billion and how the rest of that money is spent, and then they will have a good idea of why I and a large number of the Members of the House are going to have to oppose this Black Caucus budget.

Mr. Chairman, I reserve the balance of my time.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, I thank the gentleman from California and our colleagues who constitute the Congressional Black Caucus for allowing me to participate and for giving us so thoughtful and responsible a document.

This budget which I urge Members to carefully consider and then vote for is about the only chance Members are going to get today, most of us, to make honest men and women of ourselves. This budget would carry into public policy much of what most of us say when we are not in this room. Very few people that I know think it is reasonable for people in the middle-income brackets to be paying a 33-percent rate while people at the top brackets pay a 28-percent rate. I venture to say that nearly every Member of this body has gone outside of this building and said, "Oh, I think that is wrong. I think we should fix it." Here is the fix. This is the only document we are going to get today, and if past performance is an indication, probably the only one we are going to get all year.

So if the Members have gone to their constituents and said, "I agree with you. It is wrong for people to be paying 33 in the middle and 28 at the top," here is the only chance they are going to get to vote that way.

I respect a great deal the integrity of the gentleman from Minnesota, and I appreciate the generous way in which he described the budget, and I mean that very sincerely. He deviated a little from his usual mode of argument, because he on several occasions today said that the people do not want this. In the first place, we are not sure what the people want, and, in the second place, one of the points I would remind the gentleman from Minnesota has been his willingness to tell this House to not be a slave to the latest poll. Use your judgment. Let us do that here.

The people do not want to increase taxes so that it is going to hurt the average individual, but putting a tax on the wealthiest 1 percent, equivalent to what middle-income people pay, I see no popular outcry against that. Taxing the most wealthy and profitable corporations, I hear no outcry against that. Now, let us go to the military part. Yes, it cuts $16 billion in outlays from the budget, and the gentleman from Minnesota said, "but it puts $2 billion more into international." In fact, for those of our constituents who object that other countries are spending too little for our common responsibilities, the $16 billion that we cut far more than compensates for the $2 billion.

What we are saying in this budget is this: Let us spend another $2 billion to prevent innocent children from starving to death, because this country does not do enough for that. Let us make some money available so we can deal with the real threat to our security in the Western Hemisphere, the crushing debt burden of Argentina and Mexico and Brazil which degrades individuals and destabilizes and undercuts democracy. Let us take some of that money and put it in there. Where do we get it? We cut the military budget.

Mr. Chairman, NATO had its 40th birthday, and what this budget says to some of our NATO allies is, "Happy 40th birthday. Now that you are 40 years old, get out of the house and support yourself, because you need not be subsidized by the American taxpayer anymore." In terms of net contributions by the American taxpayers to international obligation, this reduces it. It also enormously improves its moral tenor, because instead of forcing weapons down the throats of allies who do not want them, we try to make a little food available for those who desperately do.

We have a problem in the world, as I said before. The administration cannot seem to get straight who is running the Soviet Union. Sometimes when we are dealing with refugees of religious minorities, they decide everything is wonderful in the Soviet Union, and they keep people out of this country. Then when it comes to the military budget, we have the Secretary of the Defense telling us that Mr. Gorbachev does not make any difference. Sometimes they think that Brezhnev is ruling Russia. Sometimes they think Sakharov is ruling Russia. They never get to Gorbachev.

This is a budget based on a simple fact that Gorbachev is in charge of the Soviet Union and he is driven not by love for us but by overwhelming economic necessity to reduce his military spending, and this budget matches that.

Finally, let us talk about the domestic increases the gentleman from Minnesota talked about. Every Member of this House, I believe, nearly every Member, and we do have some interesting Members, nearly every Member has said, "I think we ought to spend more on Medicare. I think we should increase what we do for nutrition." We have hospitals that are going to close because of the underfunding of Medicare. People have said to the elderly, "I am for the meals program." People have said, "I want to help in education." This budget gives them the one chance that they are going to get today to live up to the promises that 90 percent of us have made at our town meetings. This is the truth-in-congressing budget, because it gives the Members a chance to live up to that campaign promise.

I am enormously indebted to the skill and the dedication that went into this budget, because our colleagues in the Black Caucus have shown that compassion is, in fact, fiscally responsible. Let us vote for it.

Mr. BUECHNER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, you know, this really is a dilemma for good old-fashioned Republicans like me. You know—the kind that really believe that the Government—no matter how kind or gentle we are—should be run like a good business, fiscally responsible, not incurring more debt than it can handle and adhering to the very best management principles.

There once was something upright and buttoned-down about it all, reminiscent of the frugal farmer, the immigrant, the noble "middle American" with strong values, strong work ethic, spending no more than they earned.

That was, and for me still is, downright, upright Republicanism.

But in this debate we have heard the Democrats intoning that they want a "kinder and gentler" budget.

At the same time, Republicans seem to be freigning allegiance to fiscal conservatism and deficit reduction.

Both are willing to sell the the birthright of the future generations on the altar of instant gratification.

I do not know about other Members, but I am convinced that before we get to "kinder and gentler" we must get to "rougher and tougher" on the deficit, that is, if we are to save the American dream for our grandchildren.

This budget is a fiction of good intentions. Let us vote it down.

Mr. BUECHNER. Mr. Chairman, I yield 9 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, it is difficult for me to stand up here and to argue against my good friend, the gentleman from California [Mr. DELLUMS], not because I do not want to disagree with him, because I do, but because he is one of the most eloquent debaters on this floor, and he is one of the most sincere Members on this floor. All of what he has said, I think, came from his heart. There is no rhetoric there. I think he really believes in what he said, so we have to admire and we have to respect the man for that.

□ 1210

But I do rise against the Dellums substitute.

First of all, I want to thank the gentleman from California for praising Ronald Reagan and his peace through strength movement which did, yes, Ron, did bring the Soviets back to the table, did negotiate a treaty which for the first time did away with a whole class of nuclear weapons, the first treaty to do so in the history of this country. So yes, we are moving toward peace.

The gentleman from California said that Mr. Gorbachev stands alone in his quest for peace and in his quest for disarmament. I would say to the gentleman what if he is wrong? Mr. Gorbachev may not be sincere. If we look at the Soviet economy today and what has happened under this last 5-year plan under Mr. Gorbachev, the Soviet economy has failed. It is bankrupt. It has gone from about a 4½-percent gross national product growth rate when he appointed himself to office, to one-half of 1 percent today. In reality, my colleagues, that is no growth at all.

Why does the gentleman think Mr. Gorbachev is going now to Mengistu in Ethiopia and to Castro in Cuba and to Noriega in Panama, and to Mr. Ortego in Nicaragua to tell them the Soviet Union cannot afford to continue the high level of military support to their countries? It is because the Soviets do not have any money. They are going broke.

So I say to the gentleman from California, what if Mr. Gorbachev is not sincere, and what if we go through all of this disarmament and reducing our own military preparedness, where does that leave us should he decide all of a sudden to go back to being the Communist which he is? And do not forget. He has never renounced the Soviet doctrine of world conquest and jamming communism down our throats.

But let us give Mr. Gorbachev the benefit of the doubt for a minute. Suppose he is sincere, and suppose glasnost and perestroika continues, and suppose the demonstrations in the Soviet Union, in the Ukraine, in Latvia, in Lithuania, in Czechoslovakia and in Poland and in other suppressed countries continue and they expand into riots, what is going to happen? Will the Russian people be able to throw off the shackles of deadly communism? Or will the Soviet military, threatened by this kind of revolt, depose Mr. Gorbachev and install a hardliner in his place?

Suppose they say to Mr. Gorbachev "You are going the way of all of your predecessors," which happens about every 4 or 5 years when this Communist doctrine, this latest Communist plan fails? What happens if he is deposed and then the military might comes down on Europe and throughout the rest of the world? Do we not have to be prepared for that?

We seem to forget what communism is all about. If any of my colleagues watched this morning any of the daily morning news programs, they saw Vice President QUAYLE over on the Cambodian border of Thailand, and it reminded me of something I did several years ago when I led a delegation as the chairman of the task force on POW/MIA's to a place called Hanoi in a place called Vietnam. Do my colleagues remember those two words, Hanoi and Vietnam? I took that delegation and sat across the table from Communists, from a philosophy that does not have the common decency to return American prisoners of war, living or dead, the bodies, the remains of these soldiers so that the families of these fallen soldiers have peace of mind, so that a 14-year-old girl can know what happened to her father. That is communism.

As I walked out of that delegation meeting with those Communists, almost begging them to return those remains, I had a chance to walk the streets of Hanoi for a while and to look at the faces of those people, some Communists and some not. You know on their faces, there was no hope, there was nothing. There was no jobs, no economy, no future for those people under the philosophy called communism.

There was no hope at all.

I left Hanoi and I went to Thailand, and then I did what DAN QUAYLE did yesterday morning. We took that delegation and we flew first by plane and then helicopter and by truck over 50 miles of dirt road leading into nowhere on the border of Cambodia. Soon along that dirt road there began to be tens of people, young and old. Later there were hundreds of people, and pretty soon, ladies and gentleman, there were tens of thousands of people lining this 50 miles of dirt road in the middle of nowhere, and they were carrying signs like the signs I saw on the TV this morning. And they were waving little American flags.

Now these signs did not say what the nightly news sometimes likes to portray as American pigs, American imperialists, we hate you Americans. These signs did not say that at all. Do my colleagues know what those signs said? They said, "America, we love you. USA, you are number one." There was one sign that was as wide as this room is long carried by about 50 young children, and that sign said, "America, please take us home."

You know, I had to get off that truck and go down and talk to those children, and step back and say my God, how proud I am to be an American, and how much I love this USA, because I realized that they did not want us to take them home to America, but make it possible for them to go back to their homes. Lines of people, 150,000 young and old people wanted to go back to their homes in Cambodia, in Laos, in Vietnam, a home they were driven away from by this one word called communism.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I will in a few minutes.

But I thought to myself these people have a place to flee, these 150,000 driven from their homes by communism. That place is America. You know, gentleman, they do have a place to flee, and that is to the free world, to America.

But if Mr. DELLUMS is wrong, and suppose that mighty Soviet bear rises again and we are unprepared militarily to defend ourselves, where would we Americans flee if this country falls? The answer is nowhere.

So with all due respect to the gentleman from California [Mr. DELLUMS], who I deeply respect, I would say that we need to defeat this substitute today, not because he does not mean well, not because we do not need the domestic programs he is talking about, but because the first priority of this country must always be a military preparedness second to none so that we will be able to give hope not only to our American people but to people overseas as well who want to shake the shackles deadly atheistic communism.

Mr. DELLUMS. Mr. Chairman, the gentleman promised to yield. Will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

First let me return the compliment. I think the gentleman does believe what he just said and I respect him for that.

Second, as I said before, the cold war is over, my friend. It has masqueraded as American foreign policy for over 40 years, and that has led us down the primrose path of incredible nuclear weapons, great disaster in this country.

The INF Treaty that the gentleman eluded to does speak to the issue of verification, so we are not talking about trust in the ordinary sense of the term. We have the technological capability and the wherewithal to engage in the treaty process.

The fundamental difference between the gentleman from New York and myself is that I believe in the principle of treaty, and I do not believe that our future lies in a greater capacity of destroy and in our technological capability.

The gentleman said what if I am wrong. I will turn that around and say what if I am right? We are prepared on this floor of this Congress to risk war, and I say why do we not try to risk peace? What can we lose? I think we have to move beyond that level of insanity.

The gentleman talks about people going back to their homes. What about the blacks and the Hispanics and the other poor human beings who are trapped in this country and who cannot get back to their homes?

The CHAIRMAN pro tempore (Mr. FROST). The time of the gentleman from New York [Mr. SOLOMON] has expired.

Mr. PANETTA. Mr. Chairman, I yield the gentleman from New York [Mr. SOLOMON] 4 minutes.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the gentleman from California.

Mr. DELLUMS. The gentleman from New York talked about the PLO and he mentioned it with great passion.

Mr. SOLOMON. POW's.

Mr. DELLUMS. POW's. I would take us back to the reality of what we are doing this moment on the floor of this Congress. We are dealing with a budget, and I am sure the gentleman cannot tell me anywhere in this budget that we adversely affect an effort to regain POW's. So I am sure the gentleman did not intend to communicate either to my colleagues or to the American people that in some way we are running counter to that.

The fundamental difference between myself and my colleague is that I am saying as we march forward in the 1990's the cold war cannot be allowed to masquerade as our foreign policy. There are new realities in the world, and it seems to me we must awaken to them. Other nations in the world are beginning to do so.

The gentleman talked about spending into oblivion. Where does he think we are? He and I have debated budget deficits, and now we have economic chaos. We have become a great debtor nation. Now we have massive social problems in this country that has reaped fear and havoc all over America, including the capital of the United States.

□ 1220

So we have created great concern. I am simply saying let us risk whether or not I am right.

We have shown me in the 18 years I have been here talking about risk, whether I am wrong, and where has that led us? To more nuclear weapons, to more pain, more disaster.

Is the world a safer place after $300 billion military budgets? I come to the conclusion that it is more dangerous, not safer.

I thank the gentleman for yielding.

Mr. SOLOMON. I thank the gentleman for his sincere statement.

Mr. Chairman, let me say that what the gentleman is saying is that if he is right, that is great for the human race; but there is no second chance if he is wrong. So let us, as Ronald Reagan said when he signed the treaty, let us trust but let us verify. That is why conservatives like me supported that fight for that treaty because we could trust, we could verify with onsite inspection and be prepared.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, the gentleman in the well and I agree on many issues, internal ones especially. I just want to say to the gentleman that the fact is, and one of the reasons I support the Black Caucus budget is, that I think the distinguished chairman has a wonderful balance of a strong defense but national security also should transcend just weaponry and it is also interested in the human lives of our people. That is a national security issue as well. When you are talking about 280—I would not want the American people to think that there is not an awful lot of money, more than 50 percent of the budget, his budget, if you take out the Social Security trust fund and other trust funds, is spent on those Pentagon-type issues that the gentleman is just alluding to, $283 billion.

I would just suggest to the gentleman because as you know I do represent many individuals who are of Eastern European background and they are very, very concerned about the Sovietization of the Lithuanians and Estonians and Latvians and of course Czechoslovakians, and Hungarians.

There is a wonderful thing going on in those beautiful areas of our world where people are finally being able to overthrow those kinds of ironclad policies. But these same people do care about homelessness, they do care about housing, they do care about medical attention, about Medicare, they do care about Medicaid. They do want women who are about to have a child to have the proper nutrition. I mean these are human values issues. I guess the reason I felt compelled to address the House on the gentleman's time—and I truly appreciate the chairman of the Committee on the Budget giving him more time—is that I would not want the American people to think it is us against them. I mean the fact is that these are human values and those are the kinds of issues that are certainly in the Black Caucus budget.

Mr. BUECHNER. Mr. Chairman, I yield 1 minute to the gentleman in the well, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I will reclaim my time and say to the distinguished gentlewoman from Ohio: You know when Ronald Reagan's defense budget allowed us to research, develop, and deploy the intermediate-range missiles in Europe, that was the greatest hope that these Latvians, these Lithuanians, these Ukrainians and all the other people saddled under this communism, the greatest hope they ever had. I worked. It brought the Soviets to the table. It worked because we were prepared to spend the money to maintain a strong national defense in this country.

That is why we cannot possibly enact the substitute of the gentleman from California [Mr. DELLUMS]; we have to go with the budget bill.

Mr. DELLUMS. Mr. Chairman, it is now my pleasure to yield 7 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, there is a lot of talk this afternoon about a radical proposal and a radical budget and I would suspect that what is radical is the methods and the procedures we now have adopted as legislators in going about the Nation's business.

No one was more shocked than I that the House had decided to accept these Gramm-Rudman restrictions where we are put on automatic pilot, where we say that if the Congress does not have the leadership or the guts to reduce spending or increase taxes or a combination of both, that we turn the whole thing over to OMB, or CBO and then go home and say we could not reach a decision.

I thought that was bad. But now we are moving into a new mode; it is not Presidential, it is not legislative, it is a summit. So now we are told that we cannot break a summit agreement.

I would ask us at what town hall meeting will we be able to share with our constituents what agreements we did make on their behalf and who was authorized to make some cockamamy agreement? Let us face it, when we run for elections I think we should keep our campaign promises. But it is dumb to keep a stupid campaign promise that talks about reading a candidate's lips. What a leader has to do is decide the needs of the Nation, the waste that is involved in spending, and raising the revenues, that are necessary in order to reach those national and, indeed, international goals and objectives.

We talk about pride, we talk about patriotism, and we all really believe that we have a contribution to make in Congress to make America better and to make America stronger.

Even the President of the United States in talking about austerity, in talking about the problems of the deficit, had to admit that it was a stain on the integrity of this country to see so many people without homes, without jobs, and without hope and even though he did not tell us where to get the batteries for these thousand points of light, he did indicate that it should be an initiative to take these people off of the street.

Another scourge that he talked about which is just as patriotic as fighting any Communists in any country is to be able to say that when an American is born that he or she should not be born with the pain and the agony of being addicted to drugs or carrying the dangerous virus of AIDS; that in America we had a responsibility to provide for the best type of health care for the best people in the world which are our own American citizens.

It is not enough for us to say that our leaders can go someplace in the basement and decide that this is not the year to pay our bills. Bills have to be paid and if you do not pay them one way, you are going to pay for it another way.

Do we think that all of the people that we owe are going to wait until next year? Or do we have to pay the ever-increasing burden of interest on what we owe?

You and I know it is the third largest ever-growing item in our budget. But worse than that, does it make any sense to tell people to read your lips and then to see how much it costs not just in human pain but in dollars and cents by doing nothing?

You deny somebody a home; does that mean that that person does not end up in some hospital where we are paying $600 a day to take care? You deny someone an opportunity to get an education; does not every economist, liberal or conservative, state that we are losing $340 billion a year in lost productivity and forgone taxes just with the dropout rate?

Our own Secretary of Education said that he is scared to death. Well, you do not correct these things reading people's lips; you have to make some type of small investment, you have to plant some type of seed in order to get the harvest to make us productive and competitive and be able to have people working.

We said we declared war. Well, everyone knows what war means; you have to have soldiers, you have to have resources, you have to go to the battlefield.

The President says that we have declared war against drugs. What kind of warriors do we expect to fight this war when we in the Congress—what kind of patriots are we when our commander-in-chief has declared war and we say that the summit leaders have not decided how we are going to get the resources to wage this war?

Yet I ask Members, do not Members think that we are paying dearly for not correcting the condition which causes the addiction, which causes the dropouts, which causes the crime? What kind of people are we that can say that America is on freeze, America is paralyzed to take on a war that we have been losing for the last two decades? I will challenge Members to consider how much it is costing everyone by doing nothing, not just in dropouts but the criminal justice system where we have war on all cops and people would say we even need war. We need more prosecutors, we need more judges, we have to spend a quarter million dollars to create a cell to put them in, we are prepared to spend $30,000 and $40,000 a year to maintain them and we know that one-third will be back in jail within 5 years, but rather than to conduct a war to provide the resources to get involved with preventive care, rehabilitation care, provide the skills, the education and the training to get America working, to make America competitive, we are saying, "Read our lips, not this year, that next year is the time we have to take care of problems."

Well, thank God there are some Members in the House of Representatives that will be able to go back home and say that Gramm-Rudman will not hold them hostage, summit meetings will not hold them hostage, and if Members want to win a war, we are prepared to pay the price. Sure, it is going to make some of our multimillionaire friends angry. Sure, some of our top corporate people are going to be embarrassed that we will be visiting them. But they will be the beneficiaries the same way as the smallest child who is the richest of our resources that is born on this shore as an American citizen, and we could say we won the war for them and their children.

Mr. Chairman, I rise in support of House Concurrent Resolution 106, the congressional budget resolution for fiscal year 1990. As chairman of the Select Committee on Narcotics Abuse and Control, I want to say a few words about the funding levels for Federal antidrug efforts assumed under the resolution.

The resolution assumes an overall 1990 funding level for drug programs of $6.15 billion. This amount is $600 million over a 1989 freeze level and $60 million above the amounts requested by the President. The budget resolution assumes full funding of all the increases proposed in the President's budget for drugs. It rejects his proposed cuts and assumes funding for these programs at a freeze level or at the CBO baseline in the case of low-income, high priority programs.

I recognize the constraints placed on the Budget Committee under the budget agreement reached with the administration. I also recognize that compared to many other discretionary programs, drug funding in general fares quite well under the budget resolution before the House today.

Nonetheless, I am extremely disappointed that the budget resolution fails to assign a higher priority to antidrug funding. The funding for drug assumed in the resolution barely exceeds the administration's request, and it is nearly $1.4 billion in budget authority and $700 million in outlays below the amounts needed to fully fund the Anti-Drug Abuse Act of 1988.

In its report on the resolution, the Budget Committee notes that significant funding gaps exist between the amount authorized by the Anti-Drug Abuse Act of 1988 and the amount appropriated for drug programs for 1989. The committee calls for "special priority" to be given to antidrug programs for 1990 by using the maximum resources available.

Within the overall budget resolution, significant increases over the CBO baseline are provided for health programs—function 550—which include funding to States for drug abuse treatment, and for administration of justice—

function 750—which includes funding to States and localities for enhanced drug enforcement efforts. The amounts assumed in the resolution for drugs, however, seriously underfunds these programs for State and local assistance.

The drug crisis is having a profound impact on State and local governments. States and localities are being overwhelmed by drug abuse and drug-related crime. Treatment programs cannot keep up with the growing need for services, and our courts and prisons are so clogged with drug cases that many drug criminals receive minimal sentences or no punishment at all.

I urge the Appropriations Committee to allocate some of the increases provided in this resolution for health and administration of justice to drug abuse treatment and State and local drug enforcement. States and localities need additional Federal assistance to help alleviate the overwhelming burdens they face as a result of our national drug abuse problems.

The Budget Committee's report also recommends full funding, by 1991, of the programs authorized by the Anti-Drug Abuse Act of 1988. I support this intent. In the current budget climate, however, I have serious doubts that this good intention will become a reality.

Congress passed the 1988 omnibus drug bill on the eve of our national elections last fall, and the President signed it at a very elaborate White House ceremony. President Bush has since pledged to end the scourge of drugs. Without additional resources to fund the programs enacted into law, however, the call for an all out war on drugs is a hollow commitment.

No domestic issue is of greater concern to the American people than drugs. But Congress cannot fund drug programs on its own. The administration must be a full partner in any effort to raise the additional revenues that are needed to fight a true war on drugs. Until then, the current budget resolution is likely the best that we can do.

Mr. DELLUMS. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I thank the gentleman for yielding, and I rise in support of the Congressional Black Caucus alternative.

The amendment we have before us today is an alternative budget that would provide a higher quality of life for the citizens of this Nation. The committee resolution is headed in the right direction. It would protect high priority programs from a reduction or a freeze at the fiscal year 1989 level of funding. However, if the committee resolution is adopted as is, we will see important programs, including health programs held at the fiscal year 1989 level or reduced.

The members of the Congressional Black Caucus feel that it is possible to find additional funds for critical domestic programs. The CBC alternative budget would permit the Congress to target funds to some of our most pressing health needs. We call for $58.9 billion for health programs and $124.4 for the Medicare Program in fiscal year 1990. The alternative budget focuses on five major objectives: Expanding access to health care for the uninsured and the underinsured; improving maternal and child health services; increasing the supply of minority health professionals; targeting research funds to minority health problems; and limiting health care costs to the elderly.

Specifically, the alternative budget provides a greater emphasis on disease prevention and health promotion activities, especially efforts targeted toward minorities. It fully protects health manpower programs and provides for an initiative to increase the number of minority health professionals. It allows for expansion of the Medicaid Program to include more pregnant women and children. Additional funding would be provided to community and migrant health centers, public hospitals, community mental health centers and drug and alcohol abuse clinics in order to restore past cuts and provide additional health services for minorities and other underserved groups. We have also endorsed the recommendation of the President's Commission on AIDS that $2 million to be spent to combat this deadly disease.

Medicare, which provides needed health services to the most vulnerable among us—the elderly and the handicapped—would be funded at a level $600 million more than the level provided for in the committee resolution. Our alternative also recommends that legislation be developed to expand the Medicare Program to cover long-term home health care for chronically ill children, the elderly, and the disabled.

I know that my colleagues have heard from many of their constituents who hope to see a greater priority given to important domestic programs—Medicare and other health programs. I urge you to vote for the budget that would provide the highest quality of life for our citizens.

Mr. DELLUMS. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I rise in support of the Congressional Black Caucus quality of life alternative budget and I urge my colleagues to support it.

Mr. Chairman, in the last 8 years, this Congress has not worked to promote a kinder and gentler society, or a more compassionate America. This noble theme espoused by the new administration is still only so much lip service and we in Congress have not yet adopted any plan to create a more compassionate society.

The sad reflection of our past budget policy has cast a dark shadow across our Nation. Thousands of homeless Americans, who have little hope of owning or renting a home of their own are swelling the ranks of the poor. Our Nation's public education system is bereft of problems and struggling to help our children. Teachers are torn between being a teacher or a parent, in a job which rewards little but expects much. A runaway illegal drug trade is filling our streets with despair. Children, men, and women have no hope for the future. Our labor force struggles for minimum wage, equal wage, and an opportunity to compete with our foreign allies. Millions of people are searching for a dignified way in which to support themselves and their families and still our Federal Government is not committed to stopping the plague of poverty. Instead we continue to fill our arsenals with weapons that can wipe out the entire world and we ignore that the very fabric of our country is slowly being torn away little by little.

Perhaps the saddest reality is that we have failed to address the future that we are leaving to the generations of children to come. Compassionate is certainly not the way future generations will remember us in their history books. We are promising them a budget deficit so large that even our great, great grandchildren will not be able to balance it in their lifetimes. While we dare not to speak the "t" word, the need to increase revenues continues to jeopardize our future. New programs or new initiatives cannot create a brighter future for our children if we refuse to finance them.

For the last 8 years the Congressional Black Caucus has challenged the administration's budget and those of the respective Budget Committees and presented our own budget alternatives. I am pleased to join my CBC colleagues today in support of the Congressional Black Caucus' fiscal year 1990 quality of life budget. This budget offers an alternative vision of the future, it is designed to create a kinder, gentler, and more compassionate Nation. I truly believe we cannot afford to pass another budget which fails to protect and promote the human needs of the citizens of our Nation. I encourage my colleagues to reject past policy and to join the CBC effort to reorder our budget priorities. I urge my colleagues to work with the Congressional Black Caucus to create a more compassionate society by voting for the CBC quality of life budget.

Mr. BUECHNER. Mr. Chairman, I yield 7 minutes to the golden-tongued orator from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I thank my colleague from Missouri for yielding me this time.

I rise in reluctant opposition to the Black Caucus proposed budget. There are elements of it that I want to speak to in a favorable context, and I commend those who drafted it and want to focus on that now.

You make the claim, correctly, that your proposed deficit is the lowest of all the alternatives that are being presented today. That on the face of it is a correct statement. I admire the Members for their desire to reduce the deficit. Like all Members of this business, how we get to the reduction is what causes me to make these statements.

One of the ways we do it is reduce defense spending by $16 billion. Now the gentleman from New York [Mr. SOLOMON] and others Members have engaged in an exchange on the merits and demerits of that. Candidly, I come down on the side of my colleague, the gentleman from New York [Mr. SOLOMON] for the reasons he said. I do not think it is prudent for this Nation to engage in that much of a reduction of our defense budget. I think we should negotiate with the Soviet leadership. Hopefully, we can stop this madness, this escalation of armaments in the world that threatens the economic stability not only of the United States but of the Soviet Union. But the way, in my judgment, to negotiate reduction of armament is on a mutual basis where each side gives something on the basis that if they do not give it the other side is prepared to stand there and defend their interests.

The other way we reduce the deficit is by increasing taxes by $20 million over the existing tax system. On that point I must respectfully disagree, and I want to cite some figures to show what we did back in 1981 as the rational course. We increased, we increased revenues. Not totally, but we increased the shift or the portion that income groups in America pay in the way of taxes to the extent that we reduce tax rates, marginal tax rates, and these figures I think reflect what has been achieved as a result of the 1982 Tax Reduction Act. For example, in 1981, those earning less than 15,000 a year paid 9 percent of the taxes. Today, or rather the latest year which I have is 1986, that group paid 4.4 percent of the taxes. Take the group in 1981 earning 30,000 to 50,000. They paid 29.8 percent of the income taxes, and in 1986 that group paid 25.2 percent of the taxes. Take this group that we say are the rich in America, over a million in 1981. That group paid 1.7 percent of the taxes and in 1986 that group paid 8.9 percent of the taxes.

My point is that the cause of social justice which I think is something we all can support is advanced to the extent that we reduce marginal tax rates in this country. The reduction of marginal tax rates has the effect of serving what I call the equalitarian ethic of social justice in any society, and when we talk of raising taxes as is in your alternative budget, we are working against that principle.

Now I commend your side for wanting to reduce the deficit, and there are a few illustrations here that I think try to give Members an idea of what we are talking about with a $3 trillion national debt. That is one-dollar bills placed end to end, totaling $3 trillion, would make 594 round trips to the Moon. It will circle the Sun 11,409 times. It would pave the road 3.72 miles wide across the continental United States. It would cover 11,200 square miles, nearly the combined size of Maryland and Delaware. Three trillion dollars stacked in dollar bills would create 858,411 Empire State buildings. Three trillion dollars would allow $41 million to be spent every day for 200 years. It would pay for Social Security for 9 years. It would send 43,860,000 students to Harvard for 4 years; that is tuition, room and board, even a little for beer money. Whatever way we want to size it up it is a huge sum of money that is almost beyond the computation of any Member.

The alternative that I talked about in the budget resolution that I presented to the House previously I think reduces the deficit, which is one of your goals, and I respect that. It reduces it in a different way. It reduces the interest costs on the national debt because no matter what our economic station in life is, whether we are a kid working our way through college or we are born in a ghetto, seeking to live in a better place in a community in where we reside and take our home, or whether we are a businessman or the U.S. Government, interest rates are literally choking our world in which we live. We are trapped.

The Federal Reserve Board cannot reduce interest rates. Why? Because they have to keep them high in order to attract capital to our country to finance our general fund deficit of $241 billion in this budget. We would love to reduce the interest rates but if we did we would no longer have the ability to reduce the capital or attract the capital to pay for our deficit spending. This is a reason, in my judgment, that the prudent course for Members to take is to reduce the interest costs of the national debt.

Now the reason that I have presented this and I came to the Black Caucus and made by presentation, and I thank the gentleman for the opportunity of presenting this, I would like to believe that reducing interest costs is not a partisan issue. How many tears are going to be shed around here for sending less interest money to the banks of New York City, the financial capital of America? Not many. It is something I would hope on which we can agree. Maybe not this year, maybe not next year, but I hope in the dialogue that takes place in the budget consideration at some point in this year of this congressional term, to offer an amendment to a bill moving through the process that will direct the Treasury of the U.S. Government to sell at least $20 billion of bonds backed by gold, and when that opportunity comes on the rule of germaneness that pertains here, I hope my colleagues in the Black Caucus will give some help to me, because at least on the idea of reducing interest costs in America, I think we have some common ground.

□ 1240

Mr. DELLUMS. Mr. Chairman, it is now my pleasure to yield 3 minutes to the distinguished gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I most certainly do not agree with every spending assumption in this amendment, and I would certainly reserve the right to change some of those assumptions as we work through the appropriations process. But I just have to say that I think this is truly the most economically responsible budget before us today.

I fully recognize the limitations under which the Budget Committee was operating. Any phoney assumptions and any rosy scenario estimates in this budget today are not here because the gentleman from California, Mr. LEON PANETTA, and this committee wanted them here. They are here because the White House was requiring, as the bottom line for agreement, that the Congress go along with the sham of somehow pretending that this budget is going to hit the reduced deficit target mandated by Gramm-Rudman. That is a fact. So I in no way criticize the committee's product. They had no choice, given the ridiculous circumstances we are in.

But I have to say this amendment is correct for 2 reasons: Number one, because it recognizes the fact that we are being taken for suckers by our NATO allies, and it recognizes the fact that if we do not force them to share a larger burden for defending the West, then the huge difference in expenditures in defense between their effort and our effort means that they free up billions of dollars to invest in new plant and new equipment so they can knock our socks off on trade and take our jobs.

The second reason this amendment is correct is because it is honest. It does not pretend, as the White House-mandated package does, that somehow we can promise no pain and still reduce the deficit.

Some people will say we cannot support this because it has some taxes in it. This amendment has no taxes for anybody making less than $165,000 a year. As far as I am concerned, our moral obligation is to try to even out opportunity in this country, not results but opportunity. This amendment allows us to make needed domestic investments for our economic future. It provides greater economic justice than we have in the tax system today. It does not lay a glove on middle class taxpayers. It has a smaller deficit than any of the current major packages before us.

Mr. Chairman, this amendment is fiscally sound. It is socially sound, it is sound from an investment standpoint, and I congratulate the gentleman from California [Mr. DELLUMS] for offering it.

Mr. BUECHNER. Mr. Chairman, we reserve the balance of our time.

Mr. DELLUMS. Mr. Chairman, it is now my pleasure to yield 7 minutes to the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I should like to direct attention to the education aspect of the Congressional Black Caucus budget. I will not deal with that part of function 500 that lies within the field of job training, although I think it should be pointed out that for more than a decade we have been neglecting the field of job training as well as education itself. There has been a 40-percent reduction in job training, including the Job Training Partnership Act, by recommendations of this administration.

Vocational education, another important aspect of preparing Americans for the technological age, has also been recommended for elimination. Unfortunately, the various budgets, with the exclusion of the Congressional Black Caucus budget, do not address these issues and continue these drastic reductions at the current service level.

It is with respect to education that I would like to address the subject matter of this particular budget. If there is anything that indicates the economic policy of a nation, its direction, its vitality, and its hopes for the future, it is in the field of education. We have suggested that education is the No. 1 priority before the Nation. It is all right to have missiles and armaments of all kinds, as well as sophisticated weapons, but we also need personnel. Any darned fool can operate these weapons, but to the devastation perhaps of innocent victims and one's own personnel. It is absolutely essential, therefore, that if we are going to discuss national defense, as well as economic security, we talk also of trained personnel, and the fact is that at the beginning of this decade education represented 2.5 percent of the Federal budget, but today it has dropped to only 1.7 percent. This has resulted in a rather disastrous conclusion.

As a matter of fact, the Secretary of Education only yesterday attacked the public schools of America as not performing well. Obviously it ill behooves anyone who has advocated such drastic reductions as the Secretary of Education and the administration to attack the public schools of this country, but it is true that in education we are not doing too well. It is not that we have done a worse job ourselves, but the world has moved faster than we, and the result is that in the decade of the 1980's we have created a lack of productivity in this Nation.

Our economic growth rate has averaged only 2.5 percent, our productivity growth has averaged less than 1 percent, unemployment has averaged 7.2 percent, and inflation for the decade was at 6.7 percent. A large amount of this cost has been in the field of education, particularly resulting from the cutbacks in Federal aid to education. The State have moved ahead reasonably well, but the increases that have been made at the State level have been more than offset by the deep cuts at the Federal level.

So when we look at a budget at this time, we obviously ask: Will the budget change this drift? Will it reverse the direction in which we are now moving? The answer is that the Congressional Black Caucus budget does address, I think, in a reasonable manner this particular problem, because it substantially increases an increase in the education budget above current service levels.

Mr. Chairman, let me just rapidly address a problem that is facing us today as a result of this drift and why it is necessary to increase the education budget. Some 27 million Americans cannot read above the fifth grade level. Another 40 million cannot read above the eighth grade level. It is obvious that these individuals upon whom we will depend for the rest of this decade to be productive workers will not be able to produce. It is also true, on the other hand, that we have developed a critical shortage of engineers, computer scientists, and other trained personnel in the armed forces.

The gentleman from Missouri, Mr. IKE SKELTON, wrote to me some years ago—and the conditions are much worse now than what he described then—and I would like to just repeat what he said in his letter to me:

> The United States has depended on a technological edge for both our economic security and national defense for a good number of years. If we can't produce the personnel to operate the technical equipment on which we currently depend, and to develop new innovations for both commerce and defense, we will not only be jeopardizing our economic well-being, we will be endangering our national security.

□ 1250

That, Mr. Chairman, I think is a point that we do not realize, that today we are failing, we are disarming, we are creating a critical shortage of the type of personnel that we must depend upon in our commerce, our industry, and our trade, as well as in national defense. As a result of that we are not creating the individuals who have increased their earnings, who have taxpayers' ability to contribute and, therefore, are a drag upon the economy, and creating a deficit and also jeopardizing, not only our economic security, but our national defense as well.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Chairman, I rise in support of the Congressional Black Caucus amendment to the budget resolution, and to commend the Congressional Black Caucus and Chairman DELLUMS for preparing the "quality of life" budget. The Congressional Black Caucus budget puts the health and welfare of the American people first on our list of priorities. I am especially supportive of the CBC budget allocation for health care. The CBC alternative budget provides $1 billion more in outlays than does the Budget Committee resolution, and $3.5 billion more than President Bush's original proposal.

That $1 billion seems like a big difference until you consider the cost of health care in this country. In America we spend more than twice as much on health care as we do on national defense—something like $620 billion, more than 11 percent of our gross national product. We like to say we have the finest health care system in the world.

For most people, we do have outstanding health care. But for 1 in 6 Americans, there's no health insurance at all. Over 12 million children in this country have no coverage. If they see a doctor, it's in the emergency room. Nearly 1 out of 6 pregnant women are uninsured. They and their babies are at risk. They are 3 to 6 times more likely to have a baby with low birth weight, under 5 pounds. That means we are all at risk, because it costs over $1,000 a day just to keep a baby in intensive care. It costs hundreds of thousands of dollars to take care of a child who is severely disabled, even for the short lifetime that child may be with us.

We take pride in the fine hospitals we have in this country. But some of the best hospitals are going under, because too many of their patients cannot pay and have no coverage. Harborview Hospital in Seattle is in serious trouble because it has too few paying patients. As hospitals compete for business, trying to keep their charges down, the losers are public hospitals like Harborview that serve the uninsured, that do not turn people away. They have to pass the cost of that care onto the paying patients, so they can't afford to compete with the others. Without public funding, they start to go into a death spiral. If that happens to Harborview, we lose the leading trauma center in a 4-State area, the burn unit which is among the world's best, one of the only teaching hospitals in the Northwest, and a priceless community and regional asset.

We have waged and won wars against malaria, smallpox, typhoid, polio, and other diseases. But AIDS has killed more Americans than the Vietnam war, and the human immunodeficiency virus infects 1½ million people, with no end in sight. That is a tragic waste of human potential which we must not tolerate.

The quality of life amendment adds funds for prenatal and infant coverage under the Medicaid program, enough to cover pregnant women, infants, and children up to twice the poverty level. It increases funding for public hospitals, community and migrant health centers, drug and alcohol treatment, and prevention of teenage pregnancy. It adds dollars for prevention and treatment of AIDS. The $1 billion it adds is the single best investment this budget makes, and I commend the Black Caucus for putting it together.

I know that the Budget Committee did not set out to shortchange health care in this resolution. They have had to compromise, and I understand how that works. I have had to write budgets in the State legislature, as many of our colleagues have. But the fact that we have to stand here on this floor and do battle for programs like these, that the health of our children is a serious budget issue in the richest country in the world, tells me that our spending priorities are still wrong. It tells me we should go back to the President and tell him that we will put the dollars where the needs are, even if he will not.

The dollars this amendment adds to the health function are an investment, Mr. Chairman. They are an investment in healthier children, more productive workers, longer lives. The $1 billion this amendment adds is less than America spends on health care in a single day. The fact that we must do battle over this item tells me how much we need to change the way we spend our public and private health care dollars.

We spend over 11 percent of our gross national product on health care. No other industrial democracy spends as much, or has so many uninsured people. Canada spends 8 percent of GNP on health care and insures everyone. If our health care expenditures were the same percent of today's GNP as Canada's, we would have nearly $200 billion available in our economy—to balance the Federal budget, reduce taxes, make our schools the best in the world, rebuild our infrastructure—you name it.

Until we find a way to restructure our health care system so that affordable health care becomes every American's birthright, we will have to keep putting patches on the system we have got. This addition to the health function is an important and necessary patch, Mr. Chairman. We can well afford this investment in our children's health, and I urge the support of my colleagues for the amendment.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Chairman, in the nearly 20 years that I have had the privilege of serving in the House I have learned that, if one wants to turn the American people on, talk nonsense, and, if one wants to turn them off, talk sense.

For the last 8 years we have had a package of public policies that have turned the American people on to a lot of nonsense, a package that was based on the thesis, first, that the poor have too much money, and, since the poor have too much money, we cut housing programs by 77 percent. We cut 63 percent of the job training programs. We cut health care and education programs for our darling young on the thesis that the poor have too much money. Nonsense.

The second thesis was that the rich have too little money, and, since the rich have too little money, we gave a Federal raid on the Treasury to the tune of $750 billion in the first 5 years of this era that gave 35 percent of all of the individual tax relief to the top 5-percent income earners of the Nation and gave 80 percent of all the tax breaks that went to corporations to the major corporations of the Nation on the thesis that they knew what to do with the money; they would reinvest it in new planning and equipment, and they would put the American people to work. Nonsense. What they did was convert their dollars to yen, and marks, and francs, and rands, and rubels in South Africa to invest in cheap labor there, and they created a deficit of $200 billion a year in trade so that other nations now have a surplus with us on the thesis that the rich have too little money.

Mr. Chairman, the third thesis was that our problems abroad lend themselves to military solutions and, if we will increase our military spending to a level of $2.3 trillion, put 600 ships at sea to protect the trade routes of the Pacific rim and Europe, spend $161 billion in Europe 40 years after the war, more than all of the NATO nations together spend for their own defense, then our problems abroad will be solved, and what the Congressional Black Caucus has come to say today is that with now two enormous deficits, an annual of nearly $2 billion trade deficit, and a budget deficit of nearly $200 billion a year, a $3 trillion deficit that caused us to pay $166 billion in taxes last year just in interest on that debt, we need a change of course.

Now, Mr. Chairman, there are those who said the American people do not want this. I want my colleagues to know that for the last 18 years I have served on the Committee on Banking, Finance, and Urban Affairs of the House, and my contribution to this budget is that which deals with function 370, commerce and housing credit, and function 450, community and regional development, and I defy anyone to say that the American people, who have seen a 77-percent cut in their housing programs and 3 million people thrown homeless on the streets of America, do not want housing for our young and will not support what is included in this budget. The Gonzalez proposal is for our housing trust that will enable first-time home buyers to have an opportunity to buy a home in this country, particularly the lower and moderate income range.

□ 1300

I defy anybody to say that the American people do not want to put back into use 180,000 public housing units that are boarded up, while 3 million people are being detained on the streets and in welfare hotels. Do not tell me that the American people do not want that.

It has been stated that the American people do not want higher taxes. Do not tell me the American people do not want the top 5 percent income earners of the Nation, who got 35 percent of the tax relief, now to pay their share.

We raise a simple $25 billion in additional taxes. How? Not by taxing 95 percent of the American people, but by taxing the top 5 percent income earners of the Nation.

Indeed, for my colleagues here who suffered through the debate on a pay raise for Members of Congress to $151,000, they would not even be touched. Even if we had gotten the pay raise, we would not be touched, only the very rich and the simple surcharge on the major corporations. It simply taxes those who got 80 percent of the tax breaks under the Reagan nonsense. So we are appealing for sense now.

The only way to get out of our dilemma by which we have a $200 billion a year balance of trade surplus and by which the nations who are benefiting from the surplus got in excess $170 billion in interest on the debt that we built up to provide ships and troops to protect their countries from the Russians, at the same time that they spent all their money making dots on stereos, Kowasakis, BMW's, and Mercedes.

The CHAIRMAN. The time of the gentleman from the District of Columbia has expired.

Mr. DELLUMS. Mr. Chairman, I yield 1 additional minute to the gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. So all we are asking for, Mr. Chairman, is a little common sense. The only way to deal with our problem is to either cut expenses, cut spending, or increase income. We say we can increase income simply by asking our allies in Europe to foot more of the bill for their own defense, and thus reduce our defense spending.

We can increase income by simply asking the very rich to pay the same rate of taxes that 95 percent of the American people are being asked to pay, and we can provide the housing and health care and job opportunities and training that so many of our young people need if we are to compete in a world where we have got to have the capital intensive information based service oriented skills of the future.

For that reason, I urgently appeal to you not to be moved by the nonsense that may well be given by the gentleman I am about to yield to at this point.

Mr. BUECHNER. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Missouri.

Mr. BUECHNER. Mr. Chairman, I would just like to ask the gentleman whether the American people did not speak, though, quite eloquently about tax increases in the last few elections. I remember a gentleman by the name of Walter Mondale and another one by the name of Michael Dukakis, one said definitely he would raise taxes, the other sort of circled around that issue. Does the gentleman think the majority of people in America are calling for a tax increase at this time?

Mr. FAUNTROY. I believe that the majority of the people responded to the nonsense that when we said tax increase, we meant them, but if they had understood as we know it and as Members of this Congress know, this proposal does not call for taxes on the majority of the American people, only the top 5 percent income earners of the Nation, and when the American people understand that good sense and move their Members to be honest, they will vote for the Congressional Black Caucus tax package.

Mr. Chairman, I yield back the balance of that 1 minute the gentleman from California [Mr. DELLUMS] so kindly gave me to finish my statement.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mr. SCHROEDER. Mr. Chairman, I sincerely thank the gentleman from California [Mr. DELLUMS] for yielding this time to me.

Mr. Chairman, I rise in support of the Congressional Black Caucus budget, as I have many times on this floor.

I must say, this is the sanest budget that I have seen year after year after year, and never has a budget like this been more needed. This is a 21st century budget if this country is going to make it.

Now, let me tell you a few reasons why. The Black Caucus understands how America is different. We have always said in Europe and all those other places that you are what your ancestors were. People came to America to be what their children became. What we have done after 10 years of this Reagan debacle is we have taken a whole lot of people who do not see any opportunity for their children to become anything, and if you are living in a society where you think your children can become nothing, then you think you are nothing and you start undercutting the entire society.

Yes, this budget deals with taxes, but it certainly should. If anybody thinks the middle class came off better during this last eight years, baloney. This was all tax shifting. It was tax shifting from the rich to the middle class.

I worked very hard to get the marriage penalty out. The marriage penalty is back. We penalize families for being married. We do not give families the personal exemption that they should have to live. If we did that, we would not have poverty among families.

We have done all sorts of terrible things in the Tax Code in order to lift the great weight from those at the very top.

This is saying, "Hey, trickle-down didn't work. We have been waitin' for 8 years and we're not even damp."

So it is dealing with that and it is dealing with it straight out. I think it is time we deal with it.

So, yes it shifts it back on to the rich a little bit, not even near the magnitude it was before. It is just a little course correction.

It also deals with the military and how it went wild the last 8 years.

I think the image that stuck in my mind the most this week was the image of the Hungarian soldiers cutting the fence, and you begin to wonder what was it all about.

We look like while the rest of the world is out modernizing global strategy, all we know how to do is modernize weapons. We used to talk about how we had to have three major missile systems. Now with peace breaking out all over, it appears we are going to have four. I mean, we really are losing it.

So this budget does not disarm. No, it realizes there are still dangers out there, but it also says we have got to get over this Rambo mania and let us deal with reality.

Now, I think if we do not start investing in our kids, as this budget does, we are not going to be able to compete in the 21st century. This century was known as the American century. We are about to close this century out. The question is what will the next century be known as and will we even be a player? We will not be a player with the kind of debts we are running, and this budget comes in with the lowest debts, a very important point.

We will not be competitive and we will not be a player if our kids are coming out at the very bottom educationally, if they are coming out at the bottom healthwise and coming out at the bottom everywhere else. We will come out at the bottom of the next century.

I think our forefathers and foremothers would be ashamed that we all went to sleep and looked like we were political Rip Van Winkles in the eighties.

This is a budget that says we woke up, we are turning the ship of state around, we are doing something in here simultaneously about the debt, about our children, and about getting some of the insanity in the military under control.

Now, what could be a better statement than that?

The gentleman who spoke before me is probably right. It is probably too sane. How sad, but I think that time for sanity has come, and again I salute the gentleman from California [Mr. DELLUMS] and the Black Caucus for its wonderful leadership in providing this budget, and I certainly hope many Members take it very seriously, because that is what it is. It is a new course for the next century.

Mr. DELLUMS. Mr. Chairman, I would first like to thank the gentlewoman for her kind remarks.

Mr. Chairman, I yield 7 minutes to the distinguished gentleman from New York [Mr. OWENS].

□ 1310

Mr. OWENS of New York. Mr. Chairman, I want to congratulate the chairman of the Congressional Black Caucus, the gentleman from California [Mr. DELLUMS]. I have always voted for the Congressional Black Caucus budget and participated in that process, but I think that this year there has been more hard work and much greater wisdom in this budget than ever before.

Let the record show that with this budget, this alternative budget, that not all of the Members of the 101st Congress are locked into an obsolete and Neanderthal conception of what is the best for the Nation, what are the best national priorities and what is best for the national security of the Nation.

In the years to come when history is written, this budget can stand as a record of reasonable people who refused to be locked into a pattern of thinking that has continued to result in a series of disastrous decisions here in Washington. We are like dinosaurs with our heads in the sand, with the Washington decisionmakers at OMB and in the Bush administration and in many of our committees who are locked into this like dinosaurs with their heads locked into the sand who refuse to look at the obvious. They refuse to examine the fact that we are paying out hundreds of billions of dollars still to defend Europe and to defend Japan, and at the same time they are using the money that they are saving as a result of not paying for their own defense to deal with competing with us in the commercial markets of the world. They have greater surpluses with respect to us. We owe them a great deal of money as a result of our continuing to defend them.

There are alternatives to big spending in our budget. The big spending, the wrong-headed spending, that is being committed by the administration is dogmatic, ideological insistence that we must build up the military-industrial complex at all costs; we must continue to fund the B-1 bomber, and we are even going to ask for more money for the B-1 bomber.

At the same time in function 500 where education and job training is, we entertain a cut. There is a lot of double thinking, doubletalk in the function 500 where they are going to increase some programs, some new initiatives, and then they are going to have an across-the-board cut for all of the remaining programs. When it is all over, function 500 will have about $325 million less to do the same kinds of things that they are presently doing. That is a cut. We are cutting education and job training at a time when it is needed most.

I think the Committee on the Budget resolution is locked into the agreement that was made at the White House and, unfortunately, I think that is an unfortunate trend. It looks like we are being good, being cooperative, but when we go to those kinds of sessions and come out, we seem to be moving toward a one-party system, in my opinion, and the party whose philosophy is prevailing is the wrong one. It is the party that insists that we continue to spend more money blindly on military hardware. It is the party that insists that we are going to come back later on with a $157 billion proposal to bail out the failing savings and loan associations, to give away money to the bankers who wrecked the savings and loan associations.

This budget in function 500, the alternative Black Caucus budget, incorporates the Hawkins initiatives which are simple statements that we have found certain programs that work. Head Start works. Chapter 1 works. We want to spend more money on those programs that are certified by all educators to work. That is the Hawkins initiative which, in the Congressional Black Caucus, puts that initiative for both children and education and adds up to about $5 billion.

We have been criticized for spending more money, but spending more money on the right kinds of programs is absolutely needed. Investment in education is what we find in the Congressional Black Caucus budget. Our budget alternative is based on new assumptions, new assumptions with respect to what the priorities should be, new assumptions with respect to what is best for the national security.

National security is a major issue of concern to the Congressional Black Caucus. We justify national security in more modern terms. We are not bound by the Neanderthal concept which says that national security means putting more money into military hardware. National security means developing the maximum amount of brainpower, and brainpower is the key to our ability to compete in the commercial and industrial sector. Brainpower is the key to our ability to compete in the military and technological sector. Brainpower is the key to our prevalence over the Soviet Union in every respect.

We have an education deficit in this country. It is a very serious deficit. It is being reflected in many ways. It is one of the reasons our shuttles cannot get off the ground. It is one of the reasons the shuttle exploded. It is one of the reasons our rockets keep exploding in experiments. It is one of the reasons the task force in Dallas cannot convict anybody in the savings and loan association scandals. They do not have the right kind of personnel. They do not have the quality of personnel.

The quantity and quality of professionals in America are being eroded in every field, not only in the field of the technicians working on the space shuttles, but also in the legal field and the people who prosecute the culprits in the savings and loan associations. Everywhere we have this deficit in brainpower. To invest in education is the best course to follow if we want to promote the national security.

This administration has insisted that the only thing that is important, most important, to the National Government is the national security. I agree that the national security is the most important concern of the Federal Government. It is the definition of the national security where we disagree. We have to become modern and begin to think in terms of the 20th and 21st centuries and understand that greater investment in education will pay immediate dividends, big dividends, in terms of quality and quantity of personnel available to run this society.

This is a critical year in our decisionmaking. We must stop being dinosaurs and hiding our heads in the sand. We must become modern and understand that despite the fact that we may begin to make some cuts in defense now, we have the savings and loan associations scandal looming over our heads coming up with $157 billion which will affect future budgets, and they are not discussing it now, because we are not honest enough to face up to it at this point, but it is going to affect all future budgets.

We should turn our back on the kinds of assumptions that say we have to continue going forward as we have in the past building the military-industrial complex and subsidizing bankers who need it least and refusing to tax those who can very much afford to be taxed in order to lower the deficit, so let us return to logic and and common sense. Let us understand that brainpower is our greatest need. Let us understand that education should be our No. 1 priority.

Education is at the core and at the center of national security.

Mr. DELLUMS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, I thank the distinguished gentleman from California for the opportunity to vote for a shift in our Nation's spending priorities. A budget resolution should reflect our Nation's values. This substitute allows us to vote to place a higher priority on domestic programs—particularly those that support our children. There is nothing more vital to our national security than how we raise our children.

This substitute budget resolution calls for increased spending for domestic programs, especially for education, job training and for income security. Major assumptions of the substitute include the following:

Increased funding over current services for education and jobs programs;

$570 million in budget authority for an educational research and development initiative, including $435 million to support the creation of 435 education and research development district extension programs throughout the Nation—patterned after the Agriculture Extension Program—to provide research and technical assistance to improve education at all levels. The remaining $135 million would be for intensified assistance for the 50 poorest districts;

$2.5 billion in budget authority for a new child care initiative;

$525 million in budget authority for programs to strengthen the Nation's work force, including literacy, vocational education, bilingual education, and dislocated worker assistance programs;

Additional funding to expand Medicaid to include pregnant women, infants, and children in families up to 200 percent of the poverty level and to provide 12 months coverage for families who leave AFDC for work and for families in which both parents are unemployed;

Additional funding for the community and migrant health centers, public hospitals, community mental health centers and drug and alcohol abuse clinics to restore cuts and provide additional health services for minorities and other underserved groups;

$2 billion in budget authority for AIDS research, treatment, and prevention activities, compared to $1.8 billion in the budget resolution and $1.3 billion in fiscal year 1989;

No cuts at all in the Medicare Program;

Full funding for retirement, disability and unemployment compensation programs;

Funding above the level needed to maintain current policy for food and nutrition programs, including funding of the Women's, Infants, and

Children [WIC] Supplemental Nutrition Program at $150 million more than current services level of $1.86 billion in fiscal year 1990;

Additional funding for veterans programs beyond the current services level; provides $11.9 billion for veterans' medical care; and

Full funding for the programs authorized by the Anti-Drug Abuse Act.

The Dellums substitute calls for eliminating the strategic defense initiative and replacing it with a basic research program. It would also terminate development of chemical and biological weaponry.

This substitute would fully fund the remaining military forces as well as fund improvements in the quality of life for all members of the military and their families, particularly better family housing and dependent programs. It also calls for establishing programs of economic conversion in areas where workers would be displaced as a result of military weapons cuts, and programs to clean up military toxic waste.

I urge my colleagues to vote in favor of the Dellums substitute and register their support for a budget that puts people first.

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Chairman, I will just take a second first and congratulate my colleague, the gentleman from California, and the Congressional Black Caucus in general.

We have an old expression that says, "If it is not broken you do not have to fix it." I think those of us who come out of urban centers that there is a lot broken, and I think that this budget represents compassion. It represents the real world as some of us see it.

The saddest part of it all is that we never get a chance to share with each other what is happening in the various districts across America, whether one is a farmer in Kansas or we live on the south side of Chicago, and I think that that is where the real crime of the budget process takes place is that we do not know each other. We may be Members in this body, but the flip side is that we still do not know each other.

Mr. Chairman, I would hope that someday some of my colleagues who are responsible for putting budgets together would have a chance to walk the streets, whether it be the south Bronx that I represent or whether it be the south side of Chicago or Watts or Liberty City in Miami. The needs are real.

None of us say we do not need defense. Of course, we need defense. Defense is necessary. It is appropriate to stay strong. But we also have to continue to build within our own nation those things that are important, and sometimes it is one battleship less, but what it means is that a lot of kids are going to be able to walk the straight line and accomplish some of the dreams that we all hope for our own children.

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, the Congressional Black Caucus is to be congratulated on a very good and well-prioritized budget. It could well be called the American People's Priority Budget.

There is a lot of talk about a tax increase here. They are proposing, because we cannot mandate in a budget, but they are proposing that we restore taxes for the richest 1 percent of people in this country, people who are now paying taxes at a rate less than that of middle-class America. That is taking us back to what I always thought was the principle that we had adopted and decided upon long ago in this country, progressive taxation.

Mr. Chairman, since when did we abandon that principle? When should the rich pay at a rate lower than that assessed upon the middle class in this country?

This budget also gives us real deficit reduction, real reduction, something that the American people want. It gives more money for education, for fighting the war on drugs, for housing, for health care. Those are the priorities of the American people, and those are the priorities of this budget.

Mr. Chairman, I urge my colleagues to support this budget.

Mr. DELLUMS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

□ 1320

Mrs. COLLINS. Mr. Chairman, as we lay the budgetary framework for the years ahead, we must reevaluate our needs, priorities, and national values. In doing so, I strongly believe that the "quality of life alternative budget," prepared by the Congressional Black Caucus, best captures the essence of where America is presently and must go in the future. While I strongly support the CBC alternative, I believe that the Budget Committee's resolution deserves mentioning. First, the spirit of compromise, through which it was developed with the Bush administration, is a breath of fresh air. It is a welcome replacement to the unrelenting contentiousness of the previous administration, although we will hope that the Bush administration will be more prompt and straightforward with their numbers and proposals in the future. Second, the resolution has succeeded in remaining within Gramm-Rudman targets for spending and deficit reduction. Third, it takes a step in the right direction on spending priorities.

The problem is: It takes only one step in that direction.

In contrast, the budget alternative prepared and presented by the Congressional Black Caucus adopts a bold, forward-looking approach to our budgetary priorities and economic realities. All members of the CBC were involved in formulating this alternative which deserves the utmost consideration. It is not the budget for Black America; it is the budget for all forward-looking Americans who are concerned about the future of the United States. It is the budget for those who care about our children. It is the budget for those who care about America's world standing 20 years from now. It is the budget for those who love America, who want it to prosper, and who have the burning desire to help it do so.

One example of the shortcomings of the Budget Committee's Resolution concerns the Federal deficit. As it is now at a crisis point, we must not be satisfied with Gramm-Rudman deficit reduction targets. We must be bold enough to do what is right, not just what is required. In contrast to the Budget Committee's aim for a $99.7 billion deficit, the CBC budget proposal further reduces that figure to $92.4 billion. Moreover, unlike the Budget Committee's resolution, it reaches that reduced figure without relying on the selling off of the assets of America. Our international competitors such as Japan and West Germany are already buying up America, and I see no logic in "asset sales" which are fundamental to the administration's and Budget Committee's proposals and which will have a long-term negative impact.

The starkest contrast between the Budget Committee's resolution and the CBC's proposal is in terms of spending priorities. The Budget Committee/administration compromise resolution bases its spending priorities on outdated notions of world security and status quo defense spending. The 1980's experienced an extreme buildup in the American military to proportions never before seen. Massive-mega-millions of dollars were diverted from the needs of the American people to the protection against invasion by the so-called Communist menace. Without rehashing those debates, the conclusion is clear: the goal of a fortified national defense has been achieved and further buildup would be duplicative, unnecessary and wasteful. Continuing an unneccessary spending spree even after its purpose has been fulfilled would yield few if any benefits while inviting economic disaster. That a phase ought to be finished, and we ought to be moving on to the next.

The next phase is to start solving problems in America and focus on the quality of life. Lip service is not enough. To President Bush, whose declarations I have greatly appreciated, I must say that it is time to "put your money where your mouth—and campaign promises—are." A "kinder, gentler nation" costs money. Government support and programs require funding. Surely the "education President" should endorse the CBC Budget proposal's higher spending authorizations for education and child-related programs, Hopefully his "kinder, gentler" approach will include the CBC's proposed greater funding for programs which go to the heart of American life, such as Medicare, health in general, housing, veterans benefits, community and regional development, Social Security, and other needs. In the transportation arena, for example, the CBC alternative endorses a strong commitment to funding mass transit and ground transport, which are so heavily relied upon by our urban and low-income citizens. How often I hear, as I did last evening from Warner Communications, Mr. Chairman, that there are job opportunities awaiting inner city workers but that they don't have access to them because there is inadequate transportation to take them out to the suburbs. The CBC proposal increases funding to further develop and rehabilitate this infrastructure. The President requested a paltry $1.5 billion for the Urban Mass Transit Administration [UMTA]; the CBC doubles that. Similarly, the President's proposal for the Federal-Aid Highways Program was $12.98 billion, whereas the CBC proposes $14 billion.

Also of utmost concern to Americans today are the problems with aviation. The CBC alternative calls for a dramatic increase in spending for air traffic control personnel, training and facilities, as well as greatly enhanced security safeguards. Likewise, the problems surrounding the transportation of hazardous materials cannot be overlooked, as very dangerous materials have been rolling through densely populated areas. The CBC proposal provides adequate funding to allow the Department of Transportation to move forward on safety regulations, designation of safe routes and preparation of state-of-the-art emergency response techniques.

In addition, the transportation budget must reflect more than just basic questions of getting from "point A" to "point B." It must enable the Department of Transportation—and State DOT's—to guide America in an array of issues that go hand-in-hand with a quality transportation system. These include: prevention of lead poisoning of our children—not from windowsill paint but from auto emissions—encouraging clean air through reduced emissions, avoiding toxic spills, and ensuring that transportation in America is affordable to all, as well as safe. Funding for transportation must reflect the need to expand business and economic opportunities for small and minority business. The Surface Transportation Act, reauthorized in 1987, includes a mandatory 10-percent set-aside for disadvantaged businesses. The intent is to expand economic opportunity through the building of roads and bridges and improvement of the country's infrastructure. The CBC alternative recognizes that through increased funding, with a focus on economic development for small disadvantaged business, we can accomplish the dual purpose of improving the quality of our ground transportation while providing jobs and business opportunities to women and minorities. The CBC budget proposal adequately reflects these contemporary American necessities.

Mr. Chairman, negotiation and compromise are always welcome and are crucial ingredients for an effective government. But, a Federal budget must have more in its favor than the fact that it is a product of compromise. Although the process surrounding the Budget Committee's proposal is laudable, its product is not. It is only a first step at a time when we need a long-distance sprint. In comparison, the CBC budget proposal is walking in the right direction, with a long stride and an uplifting gait. I submit that the American people want that uplifting presence, and I urge my colleagues to support the CBC's budget proposal.

Mr. DELLUMS. Mr. Chairman, might I inquire of the Chair as to how much time is remaining?

The CHAIRMAN pro tempore (Mr. McDERMOTT). The gentleman from California [Mr. DELLUMS] has 13 minutes remaining, the gentleman from California [Mr. PANETTA] has 41 minutes remaining, and the gentleman from Minnesota [Mr. FRENZEL] has 28 minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from California [Ms. PELOSI].

Mr. FORD of Tennessee. Mr. Chairman, will be gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. Mr. Chairman, I join with my colleagues in supporting this quality of life budget that has been presented by the gentleman from California [Mr. DELLUMS].

The ravages of Reaganomics, the extraordinary escalation of the arms race, and the mindless sequestration threats of Gramm-Hollings, have wrought havoc on much of American society, especially those most in need of help—the poor, the elderly, the young, the physically disadvantaged, and the jobless.

The alternative budget places emphasis on our most precious resources—our children. It also recognizes a commitment to our Nations elderly and poor through increased funding for: Low- and moderate-income housing assistance, aid to families with dependent children, food stamp and child nutrition programs, expansion of the WIC Program, Social Security.

Retired and disabled individuals in America deserve to have a decent quality of life. Yet economic and social trends show that an increasing proportion of this sector of society will be unable to secure for themselves the basic necessities of life due to inadequate incomes.

There are 26 million senior citizens residing in the United States; 12.4 percent have incomes below the poverty line.

Poverty among black senior citizens is an even more serious problem—with 31.7 percent of all blacks aged, and 35.6 percent of black elderly women, with incomes below the poverty standard.

SOCIAL SECURITY

This budget supports current legislative provision providing for higher benefits payments and assumes the full amount required to pay current law Social Security benefits.

This budget also recognizes and attempts to correct the Social Security "notch" issue that affects older Americans born between 1917 and 1921.

The budget recognizes the need for stable level of future benefits for those born after 1929 by reestablishing the 1977 amendment and permanent benefit formula as the sole formula for computing benefits for those reaching age 62 after 1991.

Actual increases in benefits will range from less than $100 to more than $1,200 per year.

Actual cost over 5 years—$70 billion.

The fiscal year 1990 alternative budget reflects a reaffirmation of the Federal Government's responsibility to assure a reasonable income, especially for families with children, the elderly and disabled and the working poor.

We believe the Government has a responsibility to assist the poor in securing affordable and safe housing.

EXPANSION OF THE WIC PROGRAM

Positive effects of participation: Fewer low birthweight babies; significant effect on the quality of participant diets; increasing use of prenatal care; reduces anemia; and improves cognitive skills in children.

CBC alter: Budget proposes an increase of $150 million over the current services level of $1.86 in fiscal year 1990 and additional increments of $150 million in each of the next 3 fiscal years to expand to a greater number of persons.

AFDC ASSISTANCE PROGRAMS

Millions of children remain locked in poverty despite parents' attempt to accrue the income necessary to provide for basic needs.

CBC budget fully funds this program and makes provision for: Payments to States for AFDC work activities; funding under this account will support the recently created Jobs Opportunities and Basic Skills [JOBS] Training Program as mandated by Public Law 100-485, the Family Support Act of 1988; the administration's budget language limits fiscal year 1990 appropriations to $350 million. This is an attempt to not fully fund the JOBS programs.

	Fiscal year 1989 estimate	Fiscal year 1990 curr/serv	Fiscal year 1990 CBC	Differences CBC versus CS
Budget authority:				
(650) Social Security	$288,345	$315,492	$317,285	$1,793
Old-age and survivors insurance [OASI]	263,538	286,488	288,107	1,619
Disability insurance [DI]	24,807	29,004	29,178	174

	Fiscal year 1989 estimate	Fiscal year 1990 curr/serv	Fiscal year 1990 CBC	Differences CBC versus CS
Outlays:				
(650) Social Security	232,334	246,715	246,925	210
Old-age and survivors insurance [OASI]	209,237	222,407	222,595	188
Disability insurance [DI]	23,096	24,309	24,330	21

Ms. PELOSI. Mr. Chairman, I commend my colleague for his statement and thank the gentleman from California for yielding time to me.

Mr. Chairman, I commend the gentleman from California [Mr. PANETTA], chairman of the Budget Committee, for the budget resolution before the House today. The committee was faced with a complex task of assuring a reduction in the deficit while responding to our Nation's pressing needs. I think they did the very best they could, although I am not sure they did the best we know how.

There are a few pressing needs that I wish to call attention to, Mr. Chairman, in my remarks. Other speaks this morning have referred to the needs in our country for health, housing, education, AIDS research and treatment, et cetera. I associate myself with the remarks of those colleagues, and also with those of my colleagues who believe that our national budget should be a statement of our national values.

I do not know how it could be a statement of our national values when we are not adequately funding housing for all Americans.

□ 1330

Shelter, Mr. Chairman, is something that is granted even in the Bible, and not much less in any decent society. Food and shelter, basic fundamentals which we are not even granting to Americans. Is it a statement of our values, Mr. Chairman, when we propose a budget which supports a system which allows us to celebrate our success and our prosperity with these banners of success while in the shadows of these large buildings in which great big deals are done for not everyone in our society, that in the very shadows of those buildings we have poor people.

Yet another generation deprived of hope and of opportunity.

When I was young and starting out from college we looked around and saw what we thought was a lost generation of Americans, largely in the minority community, and thought if we cared enough and we worked to elect people to office who cared enough, we would have public policy which would open the doors of opportunity to all Americans. It is shocking to me, Mr. Chairman, that here we are a generation later and the situation is worse.

So I thank the Black Caucus for proposing this alternative budget because it gives me an opportunity as a Democrat, as a person who cares about a budget that is a statement of our national values, to truly vote for a budget that reflects those values of concern for people.

Mr. Chairman, in testimony before the other body one of our colleagues mentioned that today there are more black American males of college age in jail than there are in the universities of our country. This is a shameful statistic, Mr. Chairman.

But unless we make a decision to do something about it, a spending decision, everything else we day is nothing more than a rhetorical claim.

So I say again I am proud to support the Congressional Black Caucus budget. We Democrats like to think of ourselves as the party of opportunity; let us not be the party of lost opportunity.

Mr. DELLUMS. Mr. Chairman, is this gentleman from California correct that we have 10 minutes remaining?

The CHAIRMAN pro tempore (Mr. McDERMOTT). The gentleman from California [Mr. DELLUMS] is correct, he has 10 minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I thank the gentleman for yielding and I rise today in support of the Black Caucus budget.

I do not think there is a day goes by when we do not have a series of Congressmen come down to the well here and talk about how the United States is the richest, most powerful Nation on Earth. Sometimes I wonder if we are referring to anything more than the fact that we are willing to spend up to $300 billion a year on our national defense.

Sometimes I wonder whether or not we are spending money on what being a rich and powerful nation traditionally has meant in this Nation, that we stand up for our Nation's poor, that we stand up for our Nation's working people, that we stand up to see this country grow and prosper as it has in every decade since the beginning of this great Nation.

The fact is that if we look at what is going on in our Nation today we hear all sorts of happy-talk coming out of Washington, DC. They will tell us that the unemployment rate is down, that the inflation rate is down, and that the stock market is up. They do not tell us what is going on out there for the poorest people, for our country's working people.

They do not tell us that of course we are going to get the unemployment rate down, of course we are going to get the unemployment rate down when we have less young people growing up in America. But what they do not tell us in addition is that the average job that this administration has created pays less than $10,000 a year. I wonder how many people in this body would like to get by on $10,000 a year.

Of course we are going to get the inflation rate down. We are spending $200 billion more a year than we are taking in.

The stock market goes up. Of course the stock market goes up when you drop the highest income Americans' tax rates from 70 percent down to 30 percent, and corporate tax rates from 46 percent to 34 percent.

But what we do not hear talked about in our Nation's Capital is what happens to the poor. We do not hear the fact that 50 percent of all the young people in America today, 50 percent, half of all the children growing up in America's inner cities never graduate from high school.

We do not hear the fact that today 26 percent of the children under the age of 6 years old, 26 percent, the highest rate of any nation, are children growing up in poverty. We do not hear that 40 percent of the young girls growing up in America under the age of 14 are going to become pregnant by the time they reach the age of 21 and that they are not going to be married.

That is what is happening to our country. We ought not be proud of the fact that we spend $300 billion on our national debt. What we ought to be proud of is our Nation's commitment to helping out our fellow man.

That is what I think the Black Caucus budget is all about. That is why I am here speaking in favor of that budget because it is time that this country realizes it is the poor people and the working people of this country who spent their blood, sweat, and tears to build up our Nation's natural resources, to mine those resources and to develop America into not only a rich and powerful Nation but a caring and compassionate Nation as well.

Folks, if you want to vote for a budget that goes toward those traits, for a budget that goes to the traits outlined in our Constitution and our Bill of Rights, it seems to me we ought to be voting in favor of the Black Caucus budget.

That is why I am here in support of it. It is what I believe in and it is what I hope my colleagues will support later today.

Mr. DELLUMS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today to express my support for the Congressional Black Caucus' [CBC] quality of life alternative budget proposal. I strongly believe that this budget reflects more clearly the values which the majority of our constituents hold, and it is imperative that we seriously consider this measure as a viable response to our Nation's deficit concerns.

The CBC budget meets the deficit requirements of $100 billion for fiscal year 1990 set forth by the Gramm-Rudman Deficit Reduction Act. In fact, the CBC's budget projects budget deficits of $92.4 billion in fiscal year 1990, $7.6 billion below the Gramm-Rudman deficit target. Taking a responsible path toward long-term deficit reduction, this alternative budget: appropriately cuts the military budget through the elimination of unnecessary expenditures such as the Trident II and the MX missile and replaces the Strategic Defense Initiative [SDI] with a basic research program; responsibly invests in our Nation's citizens through increased spending for health, housing, education, employment and transportation; and properly seeks additional revenues through increased tax rates for the wealthiest taxpayers and an imposed 10 percent surcharge on the most profitable 10 percent of all corporations.

Our plan rejects the Bush administration's budget proposal which is short on addressing the needs of the average American, by funding effective jobs programs and preserving other domestic program needs. It also advocates lower defense spending, provides tax equity and still results in a lower deficit than either the Bush budget or the bipartisan budget agreement between the White House and congressional leadership.

Over the past 8 years, the Republican administration has continuously proposed budgets which drastically cut domestic spending in transportation, housing, education and many other social programs, while at the same time shifting Federal resources from domestic to military spending. the lack of access to quality health care is crippling our poor, our elderly and others who are unable to afford the high cost of health insurance.

Additionally, millions of American workers have become indigent and homeless due to the limited Federal funding for national housing programs. If we do not stand up for those without a voice, who will? It certainly was not done in the administration's budget, and the bipartisan budget, which moving in the right direction, simply does not go far enough. It is our responsibility to ensure that our Nation's social and domestic needs are given the appropriate attention in our budget dealings.

Finally, Mr. Chairman, I strongly believe that if we are going to truly come to grips with this deficit crisis, it means that we must give serious consideration to the issue of revenue enhancement. If we are serious about reducing our Federal deficit and accept the fact that it cannot be done at the expense of those most in need in this country, then we will have to come to grips with and understand the need to generate more revenue. The bottom line is that in the very near future we will either choose to, or be forced to, address the issue of increased taxes.

Today, I call upon the House to support passage of the CBC alternative budget. We, in the Congress, must continue to struggle for a fair and humane domestic policy and work to restore our Nation's budget priorities. The CBC budget does just that. It sets forth a fiscal policy allowing for a decent quality of life for all Americans through a realignment of national priorities and a strong commitment to programs that invest in the people of this country. I, along with my colleagues in the CBC, encourage you to seriously consider this alternative budget and not simply give it lip service. While it may not treat the wealthiest individuals with the same kindness as the administration budget or the bipartisan budget, it does meet the needs of the vast majority of Americans.

I strongly urge your consideration and support.

□ 1340

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY. Mr. Chairman, distinguished colleagues, I am here today because I want to join with those who are for the strongest possible deficit reduction. There is one budget that will give Members the strongest possible reduction and that is the one offered by the gentleman from California.

Now there will be many who will say that it has taxes in it and therefore, we should not support it. There will be those who say it cuts too deeply in defense and therefore, we should not support it. There will be those who say it increases spending in the domestic area. Well, I think that criticism is true to some extent; but when we look at the fundamental question of the greatest deficit reduction, the gentleman from California proposes a budget that gives Members the greatest deficit reduction while maintaining the best set of priorities while moving in a better direction away from the misguided priorities of the last few years.

To those who say it calls for a major tax increase, will, I urge Members to look at the President's budget that had 14 billion dollars' worth of revenues in it. This budget has only $7 billion more than that; but it does not call for most Americans to come forth with those taxes as the President's budget would have done in terms of regressive user fees, increased receipts and asset sales. The gentleman from California, targeted his revenue increases at the upper income brackets, those who have seen their rates go from 70 percent in 1980 down to 28 percent in 1989.

Second, to those who say the cuts in defense are too deep and threaten our national security, I find it interesting that the former President left, saying, "Give me 2 percent real growth." The new President, George Bush, said, "Give me inflation," and now the new President signed an agreement that does not even include inflation but a budget authority freeze. The gentleman from California is right when he says if we are serious about this deficit, we have got to put the Pentagon up on the table like everything else.

Then finally for those who are concerned about increased spending in the domestic area, many of you applaud right here in this House when Georga Bush came forward and talked about a social deficit and the need for investment in education, cleaning up the environment, and fighting crime and drugs.

The fact is that the gentleman from California, [Mr. DELLUMS], is offering Members a new alternative, a new direction, and I believe that it ought to be supported because it gives the strongest deficit reduction. I join with all of those who have been in this well today, to say none of these decisions are easy. They are difficult. No one wants to raise taxes. No one wants to cut our armed services. No one wants hungry children and poverty to exist in America. And Members are saying, "Let us reduce the deficit." There is only one proposal that moves Members from a policy point of view in a new direction where we can cut the deficit in a meaningful way and have a new set of priorities.

So I applaud the gentleman from California, and I urge Members to support the proposal by the gentleman from California, offered by the Congressional Black Caucus, if Members want the deepest and the best deficit reduction.

Mr. PANETTA. Mr. Chairman, I understand the gentleman's time has expired. Since he has additional speakers, I yield 5 minutes to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I appreciate the gentleman yielding time to me. I yield 2½ minutes to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Chairman, I rise today in strong support of the amendment which has been eloquently offered by my colleague, Congressman DELLUMS, on behalf of the Congressional Black Caucus. This substitute addresses the most pressing needs of our Nation, while providing a positive and effective solution to the problem of deficit reduction.

We must set our priorities. We must provide the proper funding for those issues which will determine our quality of life in the future.

The strength of the CBC amendment lies in its strong determination to deal with the issues of education, housing, and health, areas which affect us all in our everyday life. It confronts the problems with direct planning and budget projections, rather than with the vague outlines which we are given in the budget resolution.

I think that we would all agree that one of the more important assets in our country, if not the most important, is our youth. These are the people who will lead our country in the 21st century, and what are we doing to help prepare them? Our children are growing up in a time when society seems to stress mediocrity, to say that it is all right to just get by. We cannot allow ourselves to stand to one side and watch this happen.

Education funding is substantially increased in this amendment, with new and exciting goals designed to wake our youth up to the necessity of a good education, and the pride and satisfaction that come with it. As I read over the budget resolution, I was disappointed to see that measures had not been taken to insure the proper funding for our educational system. I was hoping to see funding in the budget resolution which would not only meet current spending levels, but would also fund new programs, programs which have already been passed into law and have yet to receive any appropriations.

The Dellums-CBC amendment provides new inititives in education, by creating educational research and development districts, expanding training for the work force, and creating programs to address the problems of drug abuse and school dropouts. By setting specific goals for our youth, and allocating the proper funding to meet those goals, we can turn our educational system around. We can determine the quality of our future today, by concentrating our efforts in the right direction.

This budget provides us with the funding to address health issues which are haunting us, such as the deadly threat of AIDS. My colleagues and I on the Government Operations Committee have held hearings on the AIDS issue, and have heard the stories of the young mothers who cannot receive help for their AIDS-stricken children because of shortfalls in funding. This is a disease that can be beaten with the proper funds for research, prevention and treatment, and there are dedicated health professionals who are doing everything in their power to help. It is up to us to see that they receive the necessary funds to continue their work.

Approximately $2 billion of the Dellums-CBC amendment is allocated for the specific purposes of research and treating AIDS victims. This amount is $100 million more than is called for in the budget resolution, but when we are dealing with something as serious and deadly as the AIDS virus, every dollar can and will bring us a step closer to a solution and a cure.

The issues have been laid before us. It is now up to us to determine their importance, and it is my belief that the Dellums-CBC amendment best answers that question, without relying on creative accounting and vague assumptions. This amendment provides a clear and specific plan for funding the needs of our Nation, and for dealing with the ever-present problem of the deficit.

I am proud of this amendment. It is a straightforward attempt to address the problems which we must face. I urge my colleagues to support the Dellums-CBC amendment, and take the necessary steps to strengthen the country on all fronts, both domestic and international.

Mr. DELLUMS. Mr. Chairman, I yield 2½ minutes to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, I think the Black Caucus has done all Members a great service. This is the sound, meaningful and honest budget proposal that we are faced with today. There is no Member of the House for whom I have more respect and affection than the chairman of the Committee on the Budget [Mr. PANETTA]. He is superb, and we can all feel proud of him, but I feel that this year he was circumscribed with such restrictions and such constraints, it was impossible for him and his colleague to get out a budget resolution that represented our values and in which we could believe.

Now I heard the Secretary of Education this morning, Secretary Cavazos, say to the American people on television, he was dedicated to maximizing the potential of every single American child, and to do that, he was going to appeal to the broader American audience by every means of mass communication.

□ 1350

I say, "Well, Mr. Secretary, your problem is not with the vast audience in America. Americans know that their educational system is severely flawed. Your problem is communicating with the two ends of Pennsylvania, the White House and the Congress."

We know what we have to do. This budget resolution leaves over 80 percent of the preschoolers who are at education risk without the life-saving, career-saving benefit of a Head Start experience and an enriched pre-school experience.

Let us get on with the job. It is a 24-year program that has been proven successful. It works. It makes all kids education-ready by the time they come in the schoolhouse doors. Let us get on with the job of decreasing the precentage of kids who are desperately at education risk.

The Black Caucus has done it in this resolution; it has gone from 16 to 19 percent. Let us get with moving Head Start to the point where it covers all the kids at education risk.

We do have an ethical problem in this Congress, and the real ethical problem is that we are not facing up to the needs of the American people. When we see that 80 percent of the kids are at education risk and we are going to leave them twisting slowly, slowly in the breeze and face almost certain educational failure, I consider that an education problem, a failure in this Congress. I consider that an ethical challenge to this Congress and this administration. When we tell a kid who has been on drugs, who wants help, who call a hotline, that he should "call back in 8 or 10 months," I consider that an ethical challenge that we have not yet met.

We are failing to meet the ethical challenge of producing a literate, skilled, educated workforce.

The sad thing is that investments in Head Start and higher education, in drug treatment and rehabilitation, are not only decent and ethical, they are also very cost effective.

The Head Start Program has been proven to save the Government from $5 to $10 for every $1 invested.

The GI bill of rights, which encouraged and paid for 12 to 14 million Americans to pursue as much education as their talent and their energy would permit, had a cost/benefit calculus of between $7 and $12 returned to the Federal Treasury for every $1 invested.

I don't know of any cost/benefit calculus for helping a drug-addicted kid who cried out piteously for treatment, who calls a hotline. I don't know the cost/benefit calculus for getting him off the drug, getting him into education, getting him into normal employment, and getting him off a life of crime, violence, and welfare which he is helpless to alter without assistance.

I don't know what the cost/benefit calculus of that is, but I can't believe that it doesn't constitute an investment in our human capital.

All of these are investments, from the beginning of our education system when we must make children education-ready to the end of our secondary system, when we must provide students with the post-secondary education that 80 percent of all new jobs will require. It is an investment to get kids off of drugs when they are eager for help. These are all investments in the future of our country, that have an enormous payoff.

Forget the humanitarian justifications. Forget the benefits to the fabric of our society as a healthy social and political entity.

Our society has a 25-percent dropout rate nationally. In terms of a having a muscular, competent work force, we are already on the slippery slope. We are inexorably going downhill.

For the health and vitality of our economy, to preserve our standard of living, to work our way back to being a keen, skilled competitor in the global marketplace, we must make these investments. We fail to make them at our peril.

In the last years of this administration, President Reagan boasted that our country was enjoying the lowest rate of corporate and personal taxes in a half century. He took pride in that.

He was right. Those were and are the lowest rates in a half century.

I see that as a matter of shame, not a matter of pride.

We are painfully undereducating our children. We see continuous rates of education fall far behind the overwhelming majority of the industrialized countries of the world. We see many of our children, low-income and otherwise, impaled on the awful spike of drug dependency which destroys education, jobs, careers, marriages, and life itself.

At this point, the fact that we have the lowest corporate and personal tax rates in a half century is not a cause for pride, it is a cause for shame.

These challenges, the education challenge, drug challenge, are not unknown to the rest of the world.

How does the rest of the world look at us, as we failed to make investments in our youth, investments in a trained, productive workforce?

If Gertrude Stein were alive, she would look at the budget resolution flowing from the Budget Committee and say "There is no there there."

Well, there's a here, here in the Black Caucus budget. This should be a concensus budget for thoughful prudent Members of this Congress who care about the future of our country and who know that the American people care enough to make the investments in our future—especially in our children—to return us to a state of education success and economic competitiveness.

I urge you to support the Black Caucus budget.

Mr. PANETTA. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I rise in strong support of the Congressional Black Caucus budget.

Mr. Chairman, I want to congratulate the work of the Congressional Black Causcus who have, once again, developed the most humane, rational, and fair budget proposal under consideration. This budget represents the best blueprint for a compassionate, safe, and fiscally responsible America. The Black Caucus budget eliminates unnecessary defense programs such as the Trident II, development of SDI, and chemical weapons. In addition, it proposes cutting back on the B-2 bomber which promises to be the most expensive and dangerous fighter plane in the history of the world.

Additionally, this budget restores and increases vital funding for important social programs such as employment and training programs, Head Start, AIDS research, child nutrition programs, and a variety of other programs which are underfunded and have been cut over the past decade.

Finally, the Black Caucus budget brings more stability to the overall budget balance than any other budget we will consider today. This budget raises revenue by bringing back fairness to the Tax Code. It demonstrates that it is possible by imposing fair taxes, combined with the cuts in unnecessary defense spending to reduce the deficit over the next 3 years by more than the bipartisan budget agreement. This is true even after the domestic program increases are included. It is a budget truly worthy of support and I am proud to do so.

Mr. PANETTA. Mr. Chairman, my understanding is that the gentleman from California [Mr. DELLUMS] needs an additional 5 minutes, and, therefore, I am happy to yield an additional 5 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank the distinguished chairman of the committee for his generosity, and will inform the Chair that it is my intention to evenly divide the 5 minutes between the gentleman from Michigan [Mr. CONYERS] and the gentleman from Maryland [Mr. MFUME].

Mr. Chairman, I now yield 2½ minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I rise in support of the Dellums amendment to the budget resolution, House Concurrent Resolution 106. This quality of life budget sets a new moral tone for our Nation by proposing a new set of budget priorities for our Government. The Congressional Black Caucus offers this budget with new vigor and enthusiasm this year. We do it emphasizing that the dark years of Ronald Reagan's "slash and burn" budget policies are behind us. We do it with the hope that our colleagues recognize that a new vigor can be upon us.

Let's look at the key features of the Reagan legacy. We have accumulated $1.3 trillion in debt since 1981. Funding for vital programs in education, health care, housing, the war on drugs, environmental protection, job training, and other domestic programs is way down—by approximately 18.5 percent—in real terms—since 1980. Military spending is way up—40 percent after inflation this decade—and is higher than at the peak of the Vietnam war. And revenue collections are more unfair. The richest 1 percent of the population is paying 10 percent less than it did a decade ago while the poorest 10 percent of the population is paying 20 percent more; corporations pay for only 11 percent of total Federal spending, in the 1960's they averaged 23 percent.

The bipartisan budget agreement of April 14 represents only marginal improvements from these disastrous trends of the last 8 years. We cannot afford a manage the damage approach. We must seek a new direction.

The quality of life budget is that way. It is a budget that is fiscally sound, programmatically sensible and morally right. It is a budget which shows that spending for crucial social programs can be significantly increased, that national security need not be sacrificed, that deficits can be reduced to mandated levels, and that necessary resources can be generated in ways that do not increase taxes for the vast majority of the population.

The centerpiece of this alternative budget is an unyielding commitment to families and communities. It is insufficient to level fund domestic discretionary programs as called for in the bipartisan budget agreement. It is irresponsible to cut entitlements and other mandatory spending by $8.3 billion as called for in the agreement. The quality of life budget provides $18 billion in new spending during 1990 while achieving the same deficit reduction as the bipartisan agreement. These increases will enable us to fully fund the Anti-Drug Abuse Act for the war on drugs, fund a new $2.5 billion child care initiative, put a substantial downpayment on new low-income housing construction, greatly expand educational opportunities for our youth, provide health coverage to all pregnant women, infants, and children at risk, and spare our elderly further cutbacks in the Medicare Program.

The Reagan budgets have been disastrous to the environment. All told, spending for natural resources and the environment has declined to 1.5 percent of the total Federal budget. In 1978, it totaled 3 percent of Federal spending. This is unconscionable and unwise in light of the threat to the ozone, poisoning of our air and water, contamination of our food supply, and the overheating of the Earth through the greenhouse effect.

We must chart a new course.

The CBC budget begins to return us to earlier spending levels, but we must do more, including raising the Environmental Protection Agency to a Cabinet Department. The destruction of our environment is no less of a national security threat than those issues that concern the Secretary of Defense and Secretary of State.

The CBC budget offers an alternative vision of U.S. defense policies. It offers constructive proposals for weapons and force reductions recognizing that the world is a different place than it was 40 years ago, that the new national security battleground is the international marketplace which requires rebuilding the foundation of our domestic economy. Defense savings proposed in the alternative would reduce military outlays by 5 percent in 1990 principally through nuclear weapons and troop reductions.

The quality of life budget states loud and clear that it is time to restore progressive taxation in America by raising new revenues from those who received the lion's share of tax reductions during the Reagan years—the wealthy and corporations. The budget proposes raising $98 billion during 1990-92 by imposing a 10-percent income tax surcharge on the top 5 percent of taxpayers, by imposing a 10-percent surcharge on the most profitable corporate taxpayers in the top 10 percent, and by increasing the tax rate on families which earn over $208,510 from 28 percent to 33 percent—the same rate paid by families earning between $78,350 and $208,510. Low- and middle-income Americans will pay no additional taxes while benefiting enormously from increased spending for domestic programs.

We understand the urge for bipartisanship, for the desire to reach a meaningful solution to our mountain of debt and the threat that poses to our Nation's overall economic health. But bipartisanship is not in order when one side has done all of the giving. Bipartisanhip is not in order when it comes to redressing the truly partisan choices that were made over the last 8 years—choices which favored the rich, big business, and Pentagon contractors over the majority of Americans.

We ask for courage, confidence, and conviction from the Congress. Courage to stand up to a President with no budget mandate. Confidence that an overwhelming majority of the American people clearly support the agenda in the quality of life budget. And conviction to stand by those core principals that form the foundation of the Democratic Party—fairness and equal opportunity for all Americans.

Mr. DELLUMS. Mr. Chairman, I yield the balance of my time to the gentleman from Maryland [Mr. MFUME].

The CHAIRMAN. The gentleman from Maryland [Mr. MFUME] is recognized for 2½ minutes.

Mr. MFUME. Mr. Chairman, I rise in support of the Congressional Black Caucus alternative budget offered by the distinguished chairman of the Congressional Black Caucus, the gentleman from California [Mr. DELLUMS].

The Congressional Black Caucus proposal is a constructive and, I might add, an achievable alternative budget that reflects a substantial commitment to all the American people. It addresses the genuine American priorities discussed by the President in his inaugural address and in his address to the joint session of Congress in February.

Without raising taxes for the majority of Americans, it does provide for our national security and for proven and workable social programs. And, yes, there are ways to resolve the problems that we face as a nation. The majority of Americans favor reducing our massive deficit without taxation. They support help for Americans who are poor, who are elderly, who are disadvantaged, and who are jobless. The Congressional Black Caucus substitute budget, therefore, begins to address these pressing issues of a quality education, affordable education, crime, drug-free cities, adequate health care, AIDS research, full funding for Social Security, and cost-of-living adjustments.

I, like many of my colleagues in this great body today, have not given up on the American ideal or on the American possibility, and I would ask those who are suspect of this budget not to give up also. I am convinced that this Nation stands before the world as perhaps the last possibility of an expression of man devising a social order where justice is the supreme ruler and money is but its instrument, where freedom is the dominant creed and order but its principle, where equity is the common practice and fraternity the common human condition.

The gentleman from Chicago, IL, summed it up adequately earlier on this floor when he said that few will remember what we say here today, but all will remember what we do.

Mr. Chairman, I would ask my colleagues on both sides of the aisle to do the right thing and to support the Congressional Black Caucus budget alternative.

Mr. PANETTA. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in reluctant opposition to the Dellums amendment. It is reluctant for two reasons: First, because the gentleman from California [Mr. DELLUMS] is a dear friend, one who speaks with a sincerity and depth of belief in his ideals that is matched by no other Member of this House. He brings honesty to his views and to his votes and to his positions. I want to commend him and the entire Congressional Black Caucus for a very serious effort to address the budget deficit and some of the serious domestic and international problems that face this Nation.

This is an approach that makes a lot of tough budget choices. Unfortunately, they are tough choices that neither the Congress nor the administration has been willing to make and ultimately remains unwilling to make.

Nevertheless, this violates the bipartisan agreement that was entered into by the congressional leadership and the White House, and I am committed to support that agreement as it was built into the budget resolution brought to the floor. The proposal raised by the Black Caucus would add additional revenues, $23 billion in tax revenues, by raising the top individual tax rates and charging an additional 10 percent surtax on the largest corporations and the wealthiest taxpayers. It would also reduce fiscal year 1990 defense budget authority by about $35 billion. The addtional funds would be divided between deficit reduction and additional spending on a variety of domestic programs, as well as foreign aid.

Mr. Chairman, let us make no mistake, this is a bold approach toward reducing the deficit and trying to deal with some of the priorities that face this Nation. One can make a very strong argument for this kind of approach. For myself, I have time and time again discussed the need to raise revenues and restrain defense and entitlement spending if we are going to reduce the deficit and if we are going to deal with the critical problems that face this Nation now and for the future.

□ 1400

Mr. Chairman, this amendment takes on two of those areas, taxes and defense. One of my regrets is that it does not include the third area, which is entitlements, which now makes up about 44 percent of the Federal budget and is ultimately going to have to be part of a bold approach to dealing with deficit problems in this country. The amendment uses these additional revenue resources to fund some very key priorities for this Nation: Education, Medicaid, transportation, housing, and nutrition. It also uses them to make additional deficit reduction, and that deficit reduction is real; make no mistake about.

Mr. Chairman, the Congressional Black Caucus in offering this amendment does this body and the entire Nation a service in showing us just what kind of sacrifice is necessary. I think, if there is one message the American people are not getting today, it is that sacrifice is going to be necessary if we are going to deal with these issues.

We have presented over the last 8 years a pleasant message that somehow everyone can have a free lunch in this country. That is not the case. That is not the message that my parents heard when they came to this country as immigrants with little education, little money, but a great deal of hope. They came for the opportunity that this country offered and the willingness to make a sacrifice for their children so their children could enjoy a better life. We now face a situation where our children may not enjoy a better standard of living than we had. That, I think, is the worst testament in terms of the future that we face in this Nation.

Mr. Chairman, there has to be an element of sacrifice. The President of the United States came here, stood here and talked about new initiatives, but he never mentioned the word "sacrifice." That word has got to be said.

In addition, we are seeing an impact in terms of tremendous borrowing. We are a debtor nation. We are a nation that now is suffering in terms of our productivity. Those challenges demand sacrifice, and they demand tough choices.

There are tough choices here. The tax increases, make no mistake about it, are tough, and the people they impact on are going to feel it. The defense cuts are tough in forcing the Pentagon to make some difficult choices. There are other choices that need to be made as well, hopefully in the future, that are equally tough in other areas of the budget.

Mr. Chairman, we, with the constraints that faced us in the Committee on the Budget, tried to move in the direction of some of the issues that are laid out here by the Black Caucus budget. We have restrained defense spending and are achieving about $4.2 billion in outlay savings in the defense budget. We have invested in the priorities that we care about in this society, within the limitation we had, in education, in health, in housing, in Medicare, in Medicaid, and in nutrition. And we tried to achieve at least some additional revenues in line with the President's commitment to meet the needs of deficit reduction—not enough, but certainly a step in the right direction.

So, while I cannot support this amendment because of the bipartisan agreement, and my commitment to it, and the work of the Committee on the Budget, it is an honest, direct, and bold approach to the budget that deserves the attention of my colleagues.

Mr. Chairman, I want to thank the gentleman from California [Mr. DELLUMS], and I want to thank the members of the Congressional Black Caucus for their contributions to this debate. I urge all Members, regardless of how they vote on this proposal, to pay close attention to the strong budget and social message that it conveys. Ultimately we will need to move in that direction. The ingredients are here in the budget resolution that is before us. But more needs to be done, and done together—not as blacks, not as Democrats, not as Republicans, but as Americans, we need to have the courage, the discipline, and the compassion to move this country forward toward a better future.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I would like to commend the chairman of the Committee on the Budget. The statement that he has made, while it is not consistent with the total wishes of our amendment, is the most positive, the most constructive, the most heartening statement that the alternative budget has ever received by any chairman of the Committee on the Budget, and I think that it is an important message that, even if there are some who will not vote for it this time, they will be moved by the direction within which it is moving.

Mr. Chairman, I again commend the gentleman from California [Mr. PANETTA] for his message to the Congress.

Mr. PANETTA. Mr. Chairman, I reserve the balance of my time.

Mr. FRENZEL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I thank the gentleman from California [Mr. DELLUMS].

I would like to commend my colleague, the gentleman from California [Mr. PANETTA], as chairman of the Committee on the Budget. He has done a fine job, but I would like also to say to my colleague from California [Mr. DELLUMS]: You bring us a painful budget today. It's a painful budget because it puts to shame any Democrats who will not face the need for new revenues when we know we need them. It puts to shame Republicans who know that we are overspending on the military far beyond our national needs. It puts to shame a President who claims to be a kinder and gentler leader when he cannot come up with the money to meet those goals.

Mr. Chairman, the Dellums budget says to those who are earning over $200,000 a year, "Pay your fair share so that kids can participate in Head Start."

It says to those who are earning over $100,000 a year, "Pay slightly more in taxes so that we could provide health care for our children."

It says to those who want to see a large defense budget, "You're going to get less, but we're going to put money into another war, the drug war, to reclaim our neighborhoods, our communities, our schools, and our children."

It says to the corporations who are making a profit, "Put some of your profits back into education, research, development, an agenda for our future."

Mr. Chairman, it is a painful budget, and it hurts. However it is the right way to go.

It has been said many times that the main budget resolution comes from the summit. I am sorry; it does not. It was conceived and created in a valley of tentativeness and myopia.

This budget, the Black Caucus budget, comes from the summit, the summit of hope, the summit of commitment, and the summit of honesty.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, the press gallery is almost empty. That is too bad because this budget, this budget alone on the floor of the House, focuses the Nation.

The gentleman from California [Mr. PANETTA] could have well ended his speech and said, "My fellow colleagues, vote for this budget," because what he said in his speech was that this is real.

Mr. Chairman, this amendment speaks to the best that is in America, the best that is within our democracy. Let us stand up and be honest. It says to the President, to the Congress, to the people of America, "We can do the job. We can educate our children, we can house our homeless, we can tend our sick."

Mr. Chairman, with $5 trillion in our economy need there be an American tonight who is homeless, or hungry, or ill-clothed?

This budget says, "No." This budget says, "Let us take a step in the wealthiest Nation on the face of the Earth to make sure that there is not an American who cannot enjoy the pursuit of happiness, not only for themselves, but for their children."

Mr. Chairman, this Nation is going to have a shortage in the labor market in just a few years. There is not a child to waste in America.

□ 1410

This budget is an honest budget. It may not pass this year, but it is the budget that ought to pass this year.

I hope the President and his advisers and I hope at some time the press will focus on what this country needs to do for its people.

Mr. Chairman, I support this budget.

Mr. Chairman, I rise today in support of the budget put forth and ably defended by the chairman of the Congressional Black Caucus, Congressman RON DELLUMS.

The key to this budget is the "quality of life" for all Americans.

I am sure that all of my colleagues read an article in this past Sunday's Washington Post by Senator ERNEST HOLLINGS. His article documents how we have savaged the future of our country by slashing the education programs of today.

In his article, Senator HOLLINGS points out that since 1980: Education block grants have been cut 63 percent; vocational education cut by 29 percent; college work study cut by 26.5 percent; and Head Start has been reduced to serving 54 out of 100 children instead of the 75 out of 100 it served in 1980.

These cuts do not just damage these children today. They disable an entire generation that will face a more competitive and highly technical world.

The Congressional Black Caucus budget recognizes this fact and provides the mechanism to meet the challenge.

Further, this budget recognizes that our national infrastructure is in drastic need of repair. Our cities mass transportation systems, road networks, and bridges are all in desperate need of repair. Over 4,000 bridges have been closed and 1 in 4 have been determined to be dangerous.

We can ignore this. We can say that we cannot afford these improvements. But to do so is to place our national economy at risk by failing to provide for safe and easy access to roads and commerce.

This budget is responsible. It says what we need and it proposes to pay for it. It reaches the deficit target and goes beyond it. In short, it puts our money where our mouths are.

Mr. Chairman, I urge the support of this budget and thank the chairman for this time.

Mr. DELLUMS. Mr. Chairman, I yield myself the final minute.

We have now come to the close of the debate.

Brilliant words have been spoken, compassionate ideas have been embraced, 24 Members of the Congressional Black Caucus have done their best work. We lay before you our best product. We attempt to lay before you the truth, that we must pursue a different course internationally, that our children are dying in the streets of our country. We must provide hope for them. We have tried to give you that alternative. Everything has been said. The ideas have been embraced. This is now the moment of truth.

It is a question whether my colleagues will have the courage and the integrity to embrace the speeches that they give in their home constituencies and here on the floor of the Congress in embracing our quality of life budget.

Mr. DIXON. Mr. Speaker, I rise today to express my support for the "Quality of Life" Federal budget proposed by the Congressional Black Caucus.

This is a responsible budget that can help our Nation set its priorities straight and still lower the deficit.

Our country is in desperate need of better schools. This budget will provide better schools.

Our country needs to improve health care services, especially for the young and old. This budget will improve health care services.

Our country can build better lives by funding more job training programs. This budget will fund job training.

Our country has a housing crisis with millions of homeless and countless Americans unable to find affordable homes. This budget will help house our citizens.

Our country has children sitting in classrooms going hungry every day. This budget improves child nutrition programs.

And our country has a war on drugs that needs the full power of the Federal Government behind it. This budget provides the resources we need to fight drugs.

A Federal budget is not just about numbers crunched out of a cold computer. It's about lives, hopes, dreams and aspirations. We have to stop viewing nutrition, health care or housing as programs to be negotiated between the White House and Congress, and instead see them for what they are: tickets to better lives for children in need and their families. In the long run that means a better America.

The Black Caucus alternative budget recognizes some sobering facts of American life today, and addresses them by enhancing proven programs and creating new opportunities. Nearly one in four children—one in two black children—live in poverty. A black baby is more likely to die in the first year of life than a child born in Cuba or Bulgaria. Hundreds of thousands if not millions live on our streets or in shelters, many of them families with children. Forty million of us—including 11 million children—have no health care. Yet this is the richest Nation on Earth.

The "Quality of Life" budget shows we can be fiscally responsible and at the same time invest in our children, house the homeless, care for the sick, fight drugs, provide opportunities for the poor and maintain a strong national defense. I urge my colleagues to support it.

Mr. LELAND. Mr. Chairman, I commend my colleagues on the Congressional Black Caucus for devising a budget alternative that truly represents an investment in human capitalization. The CBC budget alternative speaks not only to the needs of America's most underprivileged—the poor, the elderly, the young, the disadvantaged, and the jobless—but also to the Nation as a whole. It is a budget for the people.

The Congressional Black Caucus alternative budget successfully takes up the challenge to offer a concrete choice. It provides funding levels which will remedy major deficiencies in some critical areas, including education, the war against drugs, crime prevention, law enforcement, and housing. These areas were very much neglected during the past 8 years of the Reagan administration, and the neglect appears to be continued by the Bush team in these critical domestic programs.

The CBC fiscal year 1990 budget is a quality of life budget which has as its prime centerpiece an unyielding commitment to improving the life of all American citizens. Its vision of America is not one that would reduce or eliminate existing programs to finance new initiatives, like the bipartisan agreement does.

Additionally, Defense spending would not be unnecessarily cut. The CBC budget proposal provides effective national security, while making select reductions in specific portions of defense spending.

The CBC alternative takes into account the serious nature of the national deficit, and the need for its timely reduction. It provides for major deficit reduction without relying on the bogus asset sales included under the bipartisan agreement. The CBC alternative deficit totals $92.4 billion as opposed to the bipartisan agreement in which the budget deficit totals $99.4 billion, barely below the Gramm-Rudman-Hollings limit.

I am especially proud to note that my bill, H.R. 800, the Medicaid expansion, was included in the CBC budget.

I urge my colleagues to support the spending priorities reflected in the CBC alternative, and pass Mr. DELLUMS' amendment in the nature of a substitute.

Mr. DELLUMS. Mr. Chairman, I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. DELLUMS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 81, noes 343, answered "present" 1, not voting 9, as follows:

[Roll No. 40]

AYES—81

Ackerman	Ford (MI)	Oakar
Akaka	Ford (TN)	Oberstar
Alexander	Frank	Obey
Bates	Garcia	Owens (NY)
Beilenson	Gephardt	Payne (NJ)
Berman	Gonzalez	Pelosi
Boggs	Gray	Perkins
Bonior	Hawkins	Poshard
Boxer	Hayes (IL)	Rahall
Brown (CA)	Hoyer	Rangel
Cardin	Kastenmeier	Sabo
Clay	Kennedy	Savage
Coelho	Kildee	Scheuer
Collins	Kostmayer	Schroeder
Conyers	Lehman (FL)	Schumer
Coyne	Leland	Solarz
Crockett	Lewis (GA)	Stark
DeFazio	Markey	Stokes
Dellums	Matsui	Studds
Dixon	McDermott	Torres
Durbin	Mfume	Towns
Dymally	Miller (CA)	Udall
Early	Mineta	Unsoeld
Edwards (CA)	Moakley	Vento
Evans	Moody	Weiss
Flake	Neal (MA)	Wheat
Foglietta	Nowak	Yates

NOES—343

Anderson	Buechner	DeWine
Andrews	Bunning	Dickinson
Annunzio	Burton	Dicks
Anthony	Bustamante	Donnelly
Applegate	Byron	Dorgan (ND)
Archer	Callahan	Dornan (CA)
Armey	Campbell (CA)	Douglas
Aspin	Campbell (CO)	Downey
Atkins	Carper	Dreier
AuCoin	Carr	Duncan
Baker	Chandler	Dwyer
Ballenger	Chapman	Dyson
Barnard	Clarke	Eckart
Bartlett	Clement	Edwards (OK)
Barton	Clinger	Emerson
Bennett	Coble	Engel
Bentley	Coleman (MO)	English
Bereuter	Coleman (TX)	Erdreich
Bevill	Combest	Fascell
Bilbray	Conte	Fawell
Bilirakis	Cooper	Fazio
Bliley	Costello	Feighan
Boehlert	Coughlin	Fields
Borski	Courter	Fish
Bosco	Cox	Flippo
Boucher	Craig	Foley
Brennan	Crane	Frenzel
Brooks	Dannemeyer	Frost
Broomfield	Darden	Gallegly
Browder	Davis	Gallo
Brown (CO)	de la Garza	Gaydos
Bruce	DeLay	Gejdenson
Bryant	Derrick	Gekas

Gibbons
Gillmor
Gilman
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennelly
Kleczka
Kolbe
Kolter
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Martinez
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (NC)
Nelson
Nielson
Olin
Ortiz
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Pease
Penny
Petri
Pickett
Pickle
Porter
Price
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Saiki
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torricelli
Traficant
Traxler
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weldon
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yatron
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Espy

NOT VOTING—9

Bateman
Dingell
Florio
Hyde
McCurdy
Parker
Pepper
Rostenkowski
Roybal

□ 1430

The Clerk announced the following pair:

On this vote:

Mr. Roybal for, with Mr. Parker against.

Mr. HALL of Texas changed his vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. KASICH: Strike all after the resolving clause and insert in lieu thereof the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,065,500,000,000.
Fiscal year 1991: $1,144,700,000,000.
Fiscal year 1992: $1,216,500,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,333,100,000,000.
Fiscal year 1991: $1,452,200,000,000.
Fiscal year 1992: $1,526,100,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,156,600,000,000.
Fiscal year 1991: $1,215,600,000,000.
Fiscal year 1992: $1,258,500,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $91,100,000,000.
Fiscal year 1991: $70,900,000,000.
Fiscal year 1992: $42,000,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $776,300,000,000.
Fiscal year 1991: $831,800,000,000.
Fiscal year 1992: $884,400,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $5,300,000.
Fiscal year 1991: $5,300,000.
Fiscal year 1992: $5,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $69,925,000,000.
Fiscal year 1991: $75,200,000,000.
Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,021,550,000,000.
Fiscal year 1991: $1,111,750,000,000.
Fiscal year 1992: $1,156,775,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $912,925,000,000.
Fiscal year 1991: $953,250,000,000.
Fiscal year 1992: $979,350,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $136,625,000,000.
Fiscal year 1991: $121,450,000,000.
Fiscal year 1992: $94,950,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.
Fiscal year 1991: $3,374,100,000,000.
Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,025,000,000.

(B) New primary loan guarantee commitments, $107,325,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,425,000,000.

(B) New primary loan guarantee commitments, $114,875,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,150,000,000.

(B) New primary loan guarantee commitments, $119,700,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $298,600,000,000.

(B) Outlays, $297,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $313,200,000,000.

(B) Outlays, $307,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $326,300,000,000.

(B) Outlays, $318,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $17,700,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $1,775,000,000.

(D) New primary loan guarantee commitments, $6,425,000,000.
Fiscal year 1991:
(A) New budget authority, $18,000,000,000
(B) Outlays, $16,300,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $6,675,000,000.
Fiscal year 1992:
(A) New budget authority, $19,100,000,000.
(B) Outlays, $16,600,000,000.
(C) New direct loan obligations, $1,850,000,000.
(D) New primary loan guarantee commitments, $6,950,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1990:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $13,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $13,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $13,900,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1990:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $3,800,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $4,000,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $4,400,000,000.
(C) New direct loan obligations, $2,250,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $17,100,000,000.
(B) Outlays, $17,600,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $18,300,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $18,600,000,000.
(B) Outlays, $18,600,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $14,900,000,000.
(C) New direct loan obligations, $10,050,000,000.
(D) New primary loan guarantee commitments, $5,400,000,000.
Fiscal year 1991:
(A) New budget authority, $20,300,000,000.
(B) Outlays, $16,300,000,000.
(C) New direct loan obligations, $10,225,000,000.
(D) New primary loan guarantee commitments, $5,475,000,000.
Fiscal year 1992:
(A) New budget authority, $21,000,000,000.
(B) Outlays, $15,700,000,000.
(C) New direct loan obligations, $9,675,000,000.
(D) New primary loan guarantee commitments, $5,425,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $8,100,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $60,500,000,000.
Fiscal year 1991:
(A) New budget authority, $25,400,000,000.
(B) Outlays, $19,600,000,000.
(C) New direct loan obligations, $3,300,000,000.
(D) New primary loan guarantee commitments, $66,350,000,000.
Fiscal year 1992:
(A) New budget authority, $25,000,000,000.
(B) Outlays, $19,800,000,000.
(C) New direct loan obligations, $3,375,000,000.
(D) New primary loan guarantee commitments, $69,625,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $28,800,000,000.
(B) Outlays, $28,300,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $29,500,000,000.
(B) Outlays, $29,000,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $30,600,000,000.
(B) Outlays, $30,000,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
Fiscal year 1991:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $6,800,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $525,000,000.
Fiscal year 1992:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,800,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $550,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $38,000,000,000.
(B) Outlays, $38,100,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,125,000,000.
Fiscal year 1991:
(A) New budget authority, $39,200,000,000.
(B) Outlays, $38,600,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $39,900,000,000.
(B) Outlays, $39,400,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,000,000,000.
(B) Outlays, $55,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $62,200,000,000.
(B) Outlays, $61,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $68,400,000,000.
(B) Outlays, $67,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,300,000,000.
(B) Outlays, $95,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $135,700,000,000.
(B) Outlays, $108,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $147,900,000,000.
(B) Outlays, $122,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $184,600,000,000.
(B) Outlays, $145,400,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $216,300,000,000.
(B) Outlays, $154,900,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:

(A) New budget authority, $219,600,000,000.

(B) Outlays, $163,700,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1990:

(A) New budget authority, $5,450,000,000.

(B) Outlays, $5,425,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $4,250,000,000.

(B) Outlays, $4,250,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $4,975,000,000.

(B) Outlays, $4,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1990:

(A) New budget authority, $30,500,000,000.

(B) Outlays, $29,500,000,000.

(C) New direct loan obligations, $825,000,000.

(D) New primary loan guarantee commitments, $21,000,000,000.

Fiscal year 1991:

(A) New budget authority, $31,600,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $750,000,000.

(D) New primary loan guarantee commitments, $21,900,000,000.

Fiscal year 1992:

(A) New budget authority, $32,600,000,000.

(B) Outlays, $32,200,000,000.

(C) New direct loan obligations, $700,000,000.

(D) New primary loan guarantee commitments, $22,900,000,000.

(16) Administration of Justice (750):

Fiscal year 1990:

(A) New budget authority, $10,100,000,000.

(B) Outlays, $9,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $11,200,000,000.

(B) Outlays, $11,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $11,800,000,000.

(B) Outlays, $11,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1990:

(A) New budget authority, $10,000,000,000.

(B) Outlays, $9,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $10,400,000,000.

(B) Outlays, $10,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $10,900,000,000.

(B) Outlays, $10,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1990:

(A) New budget authority, $180,900,000,000.

(B) Outlays, $180,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $189,800,000,000.

(B) Outlays, $189,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $193,800,000,000.

(B) Outlays, $193,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1990:

(A) New budget authority, $0.

(B) Outlays, −$19,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $0.

(B) Outlays, −$47,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $0.

(B) Outlays, −$67,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1990:

(A) New budget authority, −$37,400,000,000.

(B) Outlays, −$44,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, −$40,400,000,000.

(B) Outlays, −$40,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, −$41,500,000,000.

(B) Outlays, −$41,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

SENSE OF THE COMMITTEE ON THE BUDGET

SEC. 4. It is the intent of the Committee on the Budget of the House of Repesentatives that—

(1) Congress shall present the revenue portion of the reconciliation bill to the President at the same time as the spending reduction provisions of the reconciliation bill; and

(2) the specific measures composing the governmental receipts figure will be determined through the regular legislative and constitutional process, and agreements reached between the administration and the Committee on Ways and Means on revenue legislation reconciled pursuant to this agreement will be advanced legislatively when supported by the President of the United States.

RECONCILIATION

SEC. 5. (a) Not later than June 30, 1989, the committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of ther respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b)(1) The House Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,172,000,000 in outlays in fiscal year 1991, and $1,092,000,000 in budget authority and $0 in outlays in fiscal year 1992.

(2) The House Committee on Banking, Finance and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $587,000 in outlays in fiscal year 1990, $0 in budget authority and $587,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $587,000,000 in outlays in fiscal year 1992.

(3) The House Committee on Energy and Commerce shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1990, $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1991, and $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1992.

(4) The House Committee on Interior and Insular Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1990, $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1991,

and $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1992.

(5) The House Committee on Merchant Marine and Fisheries shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990, $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1991, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1992.

(6) The House Committee on Post Office and Civil Service shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1992.

(7) The House Committee on Veterans' Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $0 in budget authority and $445,000,000 in outlays in fiscal year 1991, and $678,000,000 in budget authority and $445,000,000 in outlays in fiscal year 1992.

(8)(A) The House Committee on Ways and Means shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1990, $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1992.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

SENATE COMMITTEES

(c)(1) The Senate Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1991, and $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1992.

(2) The Senate Committee on Banking, Housing, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1990, $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1991, and $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1992.

(3) The Senate Committee on Commerce, Science, and Transportation shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1990, $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1991, and $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1992.

(4) The Senate Committee on Environment and Public Works shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1990, $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1991, and $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1992.

(5) The Senate Committee on Energy and Natural Resources shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1990, $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1991, and $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1992.

(6) The Senate Committee on Governmental Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1992.

(7) The Senate Committee on Veterans Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, or (B) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1991, and $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1992.

(8)(A) The Senate Committee on Finance shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1990, $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1992.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

MISCELLANEOUS PROVISIONS

National Commission on Medicare Reform

SEC. 5. SENSE OF CONGRESS.—It is the sense of Congress that a bipartisan commission be established that would review the budgetary impact of accelerating Medicare payments and make recommendations to Congress and the President on how future Medicare reimbursements would match future financial resources. The commission would also examine how current Medicare resources are being utilized and explore innovative solutions that would improve the efficiency of our nation's health care system. Medicare recipients must be assured that high quality health care will continue to be provided at a reasonable cost. Medicare payments are one of the fastest growing items in the budget and it is projected that within 15-20 years Medicare outlays will exceed outlays for Social Security. The commission, which would be appointed by the President, the Speaker of the House, and the Senate Majority Leader, would be given one year to make its recommendations for improving the operation of the Medicare program.

Conduct of Monetary Policy

SEC. 6. SENSE OF CONGRESS.—It is the sense of Congress that the Federal Reserve Board must maintain a consistent monetary policy that avoids historic patterns of rapid monetary growth followed by dramatic reductions in money supply in an effort to fine tune the economy. While Congress supports the Federal Reserve's efforts to fight inflation, Congress is also concerned that recent actions by the Federal Reserve to increase interest rates pose a potential threat to the longest peacetime economic recovery in our nation's history. Congress urges the Federal Reserve to once again make meeting their goals of monetary growth the main focus of their effects to encourage maximum, sustainable economic growth.

The CHAIRMAN. Under the rule, the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. PANETTA. Mr. Chairman, I rise in opposition to the amendment and ask for the time in opposition. Also, Mr. Chairman, I ask unanimous consent to yield 15 minutes of my time to the gentleman from Minnesota [Mr. FRENZEL], and that he be allowed to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. PANETTA] will be recognized for 15 minutes in opposition to the amendment in the nature of a substitute and the gentleman from Minnesota [Mr. FRENZEL] will be recognized for 15 minutes in opposition to the amendment in the nature of a substitute.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, a lot of people have put a lot of time into developing this amendment, most particularly including Richard May, my legislative director, and Art Sauer, and it is really important to me that we have an opportunity to be heard on this amendment.

Mr. Chairman, what strikes me is the last amendment, and I do want to credit the gentleman from California [Mr. DELLUMS] for coming up with what everybody has labeled as at least a bold approach. As noted by the vote count, the gentleman from California received less than 100 votes on his amendment. I think I could make the same argument, that the amendment that I am about to propose does take us in a bolder direction than the budget summit.

The tragedy is that it seems as though no matter how much praise we get for these type of amendments, either by the gentleman from California [Mr. DELLUMS] or any others, Members have come up to me on their own and said "Boy, you know, you have the best amendment and the best budget that is going to be proposed in the House today, and I like it a whole lot, but I simply cannot vote for it."

Mr. Chairman, I do not know how many of our Members have had an opportunity to read the Newsweek magazine article that was out several weeks ago called "Congress World." It was a description of Congress' inability to deal with any basic problem that we have in this country, basically because we are unwilling to take any bold action to address any of our problems because we are concerned that in providing leadership to solve so many of our problems that we would be forced to take stands that the public might not like, and so, therefore, we basically wander in circles and we become too interested in reelection. We have thus been labeled as "Congress World" by Newsweek magazine.

Mr. Chairman, last week I had some constituents tell me there was a television show on last Friday that kind of duplicated the Newsweek magazine article and it again labeled us as the Congress that does nothing. That really is the tragedy about which this debate is about today.

Yesterday I had an opportunity to outline my budget proposal, and I would once again like to bring it to the attention of my colleagues and describe exactly what is in this proposal.

What we have done in this proposal is simply to come up with a freeze in several selected areas. First, we freeze the defense budget at the 1989 level. Second, we take discretionary programs, and I repeat, discretionary programs, not entitlement programs, not COLA's, not Social Security's cost of living, none of those programs, we do not touch those, we only take the discretionary programs in the Federal budget and we freeze those at the 1989 level.

That ought to make both sides of the aisle happy because people on the liberal side generally tend to say that they would like to see defense frozen, and that is exactly what is called for in this budget plan. People on the more conservative side say that it is time to come to grips with the massive growth in discretionary spending, and so we freeze that. That should make the conservatives in the House happy.

In order to put legislation together we have to build coalitions. If in this proposal I have been able to freeze the defense number at the 1989 level and to freeze the discretionary spending at the 1989 level, it really ought to result in a coalition of support for this proposal.

The other part of this proposal is to take the President's number on Medicare. There have been a lot of Members coming up to me today and asking me what exactly do we do in Medicare. What we do is take President Bush's numbers on Medicare, which provides for a 10-percent increase in funding over the last year's level. What the summit agreement did is increased that amount of Medicare funding by 12.5 percent. So the bottom line is we increase Medicare funding over last year's dollar level by a 10-percent increase. It is not a cut, it is a 10-percent increase in funding over last year's level. Admittedly, the summit agreement called for a 12.5-percent increase.

If Members think they need to have 12.5 percent rather than 10 percent, I guess they cannot vote for my proposal. But if they think that a 10-percent increase is a good, sizable increase in Medicare funding, and they can opt for that over the 12.5-percent increase, then they have to vote for this proposal, because I do not know of many Members in this Congress who do not view the idea of freezing the defense number at the 1989 outlay level and freezing the discretionary programs at the 1989 level as anything objectionable.

□ 1440

And you know what we get in this budget without any heavy lifting? What we get in this budget is $8 billion more in cuts than the summit agreement.

What that really underscores is our inability to reach any consensus here on Capitol Hill. Imagine that by only freezing the discretionary programs, the defense numbers, taking the President's numbers on Medicare and freezing foreign air at the 1989 level, this proposal will give us $8 billion more in deficit reduction.

Let me tell you the other surprising story about this idea of freezing budget authority and keeping out expenditures at the 1989 outlay level. In fiscal year 1991, as a result of showing some minor restraint for the next fiscal year, just some minor restraint, our budget deficit based on CBO projections in 1991 would only be $70 billion. That is only $6 billion above the Gramm-Rudman target levels. You know what Mr. FRENZEL said to me when I pointed that out to him? He said, "John, it is amazing how much gain we can make by so little effort."

So the message is today that if you really want to do a little bit of lifting, not even heavy lifting, if you want to cut $8 billion more from the summit agreement, if you want to have us in a $70 billion target range for the next fiscal year based on some degree of restraint this fiscal year, if you want to avoid having to vote for a tax increase which I predict will come as a result of this agreement in the next fiscal year—and I sat on that Budget Committee for 4 months and listened—you do not put the waste on the table, you do not put spending restraint on the table unless you put the revenues on the table—we are waltzing ourselves into a big fat tax increase with this summit agreement. And I will be back next year saying, "I told you so." But there will not be much solace in saying that.

All I am asking you to do is to show a little restraint. It is the fairest of all the proposals.

You know what? I have not heard one single person on the floor of this House say anything good about the summit budget proposal. All they say is that it is the best that we can get. No one has said it is good.

If I pick up the RECORD and run through the comments of yesterday, there were scathing attacks on this budget agreement. What I say to you is why feel so bad, why hold your nose and vote? Why not freeze discretionary spending at 1989 and defense at 1989 and accept the 10-percent increase based on the President's numbers in Medicare and freeze the foreign aid numbers at the 1989 level for 1 year? The next couple of years I give inflation increases to all these programs and we are still closer to Gramm-Rudman-Hollings target numbers than the summit agreement.

Ladies and gentlemen, you know what? Aside from all the politics, if you asked your mother and father or you who are parents here, if I was to ask you what is it that you would most like to not leave your children when you are gone, you know what I think your No. 1 wish would be? "I don't want to leave my children unpaid bills. I don't want to leave the charge credit card bills and other bills to be paid by my children." That is your wish, so your children can be a little bit better than you.

But do you know what our legacy is becoming here in the United States? Our legacy is becoming a generation—people in their sixties and seventies now, the older generation and my generation, people still in their thirties—our legacy is going to be of a generation that left giant unpaid bills not just to the kids today but to kids who have not even yet been born. I am not asking you to fall on a sword for this proposal, I am not asking you to cut entitlement programs; I am just asking you to support a very modest program of freezing for 1 single year these programs that all of us can do if we want to provide a little leadership.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I would be glad to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. I appreciate the gentleman's yielding and I appreciate the gentleman's statement. I do not intend to vote for his amendment. I do not intend to vote for the budget being offered here today by the committee either. But in terms of long-term prognosis of where we are headed in this country, would the gentleman feel that we ought to strip away the gimmicks, the illusions in these budgets, in all of them and get to a true deficit number, so that we apply whatever pressure is needed to reduce the true deficit down to some sort of balance? The reason I ask the question is I am specifically referring to the estimates of 3-percent interest rates by 1993, which I do not think any Member of Congress believes; I am referring to the $68 billion Social Security surplus that is used improperly, in my judgment, to reduce the deficit; so that I assume when you talked about $70 billion deficit in 1991 the gentleman is talking about a deficit that is probably $70 billion or $80 billion higher, in fact, than that, is he not? If so, would the gentleman support some of us who believe we ought to strip away all the gimmicks, start talking about the real budget deficit?

Mr. KASICH. Let me reclaim my time and tell the gentleman if there is one area that he and I worked on together, it has been trying to get the Federal Reserve to approve maximum noninflationary economic growth. They have been responsible, as the gentleman and I agree, in slowing this economy down unnecessarily at particular points in time.

Let me say to the gentleman that we in the committee addressed exactly what he is talking about and that is using these off-budget items to reflect a lower deficit.

I think at some point we should do that. I do not even have any objection to doing it this year.

But what I want to say to the gentleman is he is right when he talks about the giant problem that lies ahead.

But you know what? I do not think the problem is unsolvable. I think the problem is very solvable if we just exhibit the tiniest modicum of self-constraint, self-control and leadership in this House. That is why I ask people to support this budget proposal, this budget alternative.

Let me say one other thing. There is another segment of this thing that you have to know about. That is the call for a Medicare commission which says that we should call a commission on Medicare to deal with the fundamental problems of rising health care costs so that we can continue to provide quality, but not let the Government perform as an impetus to rising health costs, but rather something that calls for real reform.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Chairman, I just want to say to the gentleman I think he is one responsible Member who realizes that at a time when we are creating increased tax revenues because we are in fairly good economic times, we have interest rates down, things are going fairly well, we are not able to take a real shot at this budget deficit. The gentleman has made one responsible attempt to do that. I commend him for it and I intend to support it.

Mr. KASICH. I appreciate the comments of the gentleman from California.

I just want to reemphasize I have had countless Members come to me and say, "This is really the best budget that lies before us," but for one reason or another, either because they support the President, or they do not like the discretionary freeze part of it, they do not want to vote for it.

What I ask you to do is kind of like what they said in the seventies "Leon, do what feels good. If it feels good, vote for it;" vote for a budget that you can feel good about that cuts the deficit by $8 billion with only a modicum of effort, then I ask you to vote for my alternative.

Mr. Chairman, I reserve the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, this budget resolution is not ideal, but under the circumstances, it's the best we can do. It is also the best budget we can do without significant new taxes.

The budget we have before us today keeps faith with the budget summit agreement between Congress and President Bush. It calls for no new taxes.

It treats domestic discretionary programs better than our budgets of recent years and it is much improved over the budget President Bush originally sent to Congress.

His budget called for budget authority of $114.5 billion for domestic discretionary programs, while the budget we have before us today, provides $157.5 billion in budget authority and $181.3 billion in outlays for these programs.

This amount is also approximately $15 billion more than what we appropriated last year.

This budget also emphasizes increased funding for a number of high-priority programs to meet critical domestic needs, such as child care, anti-drug abuse programs, maternal and child health and education.

It is also important that adoption of this budget resolution will allow the Appropriations Committee to move forward with its appropriations bills.

If we move and enact this budget in a timely manner, we will be able to act on our appropriations bills and avoid continuing uncertainty over specific spending priorities for fiscal year 1990.

It is far more preferable to have a budget agreement in place before moving any appropriations bills even though by law we can do so. Passage of the budget will allow the Appropriations Committee to do its job in a timely fashion.

I urge my colleagues to support this budget.

□ 1450

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio, Mr. DONALD E. "BUZ" LUKENS.

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I thank the gentleman for yielding me this time. Studies call for a halt to increased spending, and it is not easy to call for a slowdown in increased Medicare spending, but I think at this stage in our history of the United States and with our record of noncontrol of the deficit, it is time to do something along these lines.

We do need a tax increase now, although we do not do better today on our responsibility to balance the budget and reduce the deficit realistically as both the gentleman from California and the gentleman from Ohio are trying to do.

We are not going to have a real decrease in the deficit. What we are asking is that before this sniffle develops into pneumonia, if we simply take a little financial Nyquil. I think the gentleman from Ohio, Mr. KASICH's, approach is one of the most simplified and certainly one of the most effective approaches that can be taken.

It is not easy to freeze defense spending when it has already had real cuts 5 years in a row, but I am supporting this budget proposal by Mr. KASICH for one major reason. This budget has the best bottom line. It really does. This proposal, in my opinion, really does go the furthest toward balancing the Federal budget and reducing our deficit.

If I am going to vote for a budget, and this may be the only one I vote for today, it is going to be the one that does the most effective job in literally reducing the costs of our Federal Government and reduce the deficit realistically. I am hopeful that this amendment, while it may suffer the fate of other amendments to this balanced budget agreement, will get a lot of support today because I think we will find ourselves facing the exact precise proposal as the eventual answer, a flexible freeze across-the-board in the increases that we are giving to all elements of the budget. Spending is not unfair to anyone.

I have just returned from 3 days of outreach in my district, spoken to 7 different senior citizen groups, and time and again, when Members asked them if they would be willing to take a freeze, not a cut, but a freeze, ultimately they all agree they would do so for the country and for future generations, if everyone else accepts the same basic freeze.

This is a minimal proposal. This is a fair and equitable solution. We have a window of opportunity to solve our deficit problem, and it is now. Next year, I think all Members here agree, it will be twice as difficult and our deficit may be, indeed, realistically twice as big. The window is relatively wide now. Next year that window will shrink. This budget is not painful, but it is certainly less painful and less destructive than the current balanced budget agreement before Members.

The budget retains the COLA's in all of our entitlement programs at 4.1 percent. What could be more fair? The budget increases funding for our drug program which is where all Members agree we have to place more emphasis and more dollars. The budget freezes, temporarily, Government spending where it is today, and that is what my constituents basically tell me they want.

I think above and beyond that, Mr. Chairman, people in America today look to this body to solve this problem and there is a great deal of optimism in the press and in many State government levels and local levels where we have actually reached agreement, taken a giant step toward cooperation, among all bodies, in resolving partly the deficit costs by both executive branch and the congressional branch, the legislature. We have an opportunity today to address that, arm in arm, in logical step with a very painless measure that is simply not taking much of an increase in the various programs as has been our custom in the past.

In Medicare, instead of 12.5 percent, we are simply taking a 10-percent increase, and that is fair. The budget freezes Government spending, and that is what I think the constituents throughout the United States want. We have a serious problem with our budget in the United States today. We all know that. We are trying to address it in a responsible, serious way, and I want to commend my colleague from Ohio for, in my opinion, forwarding a proposal that is in the best interests of all people in the United States and is a shot of Nyquil now rather than painful injections tomorrow. I hope Members of this House will vote yes in support of this.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, I am opposed to the amendment of my good friend from Ohio. His amendment would make a bad situation even worse. It would cut many of the programs that are most in need, Head Start, Maternal and Child Health, AIDS research. What it would do is turn an agreement that is in part a charade into a bad joke.

What is the lesson of all of these days and months of our effort on the budget? I think the major one is that the first step is the most important one. That first step is the President's. That is true under the Constitution, and it is also true under the dynamics of American political institutions in the 1980's. So I hope we learn from that lesson.

I am going to vote for this budget resolution with the greatest of reluctance and with the hope that next time around the President will exercise his responsibilities and that he will help this Nation truly face the music on this terrible deficit, and that he will present a budget with real figures that address real needs in this Nation instead of the shadows and some of the mirrors that exist, including the economic assumptions.

I urge that we, in a resounding way, defeat the amendment of the gentleman from Ohio and we pass, though with great reluctance, this budget resolution.

Mr. FRENZEL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, the amendment by the gentleman from Ohio does, in fact, reduce the deficit to the lowest level of any of the alternatives put before the House today, about a little over $91 million. It does so by freezing all discretionary spending, including defense spending.

Generally, the freeze is at 1989 appropriated levels. It leaves the entitlement programs, with the single exception of Medicare, untouched.

□ 1500

It provides full COLA's and the same pay raise as the budget of the Budget Committee which we have laid before the House. It assumes the Bush reductions in Medicare reimbursement, which are greater than those assumed in the budget resolution, and it eliminates one program, the Amtrak subsidies, which provides a savings for this budget of about $600 million.

This budget, to my great sadness, violates the summit agreement, but it is, Mr. Chairman, the kind of budget amendment that I would be offering were I not encumbered by the responsibilities of supporting the budget that carries out the summit agreement between congressional leaders and the administration. In my judgment, the Kasich alternative is clearly the most responsible among the four alternatives we have. It tries to get at what I conceive to be the greatest problem, that is, the problem of overspending.

We have heard a number of Members claim today that the obvious answer to the problem is more taxes. I do not believe that the problem is that America is undertaxed. I believe it is that we are overspent.

I believe this budget that we have brought before the Members today as part of the bipartisan agreement continues to spend. That is its most serious flaw. The increase overall in my judgment is somewhere around 4½ percent.

The gentleman from Ohio [Mr. KASICH] seeks to reduce this by $8 billion or $9 billion, and in my judgment he is making a noble attempt. It is sadly my duty to tell him and to tell the Members that I cannot vote for it, nor can I recommend that Members do likewise. It violates our summit agreement. It reduces the discretionary spending which has been agreed to, not only in defense but also in domestic spending, across the board.

Mr. Chairman, I will say for the gentleman from Ohio [Mr. KASICH], who is a strong believer in national defense, that he has bitten his own bullet. He would like to spend more on national security, and yet he said that if we are going to cut discretionary we ought to cut it across the board. This unselfish approach is a feather in his cap and provides us an example of his great determination to make real reductions in Federal spending.

Again, Mr. Chairman, I regret my inability to follow his bold leadership, but I have to request of the body that it stand by the agreement, that we follow the course that our leaders have agreed to, and that we support the House budget and vote against the Kasich amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 4 minutes to the distinguished former chairman of the Committee on the Budget, the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY. Mr. Chairman, first let me say to my colleagues that I want to pay a compliment to my friend, the gentleman from Ohio [Mr. KASICH], for his substitute amendment. He has, as the gentleman from Minnesota [Mr. FRENZEL] has said, bitten the bullet. He has a longstanding commitment to national security. It is a commitment which is very strong, and thus one of the notable things about his substitute is his across-the-board freeze, in which he makes no distinction with regard to the domestic side as against the defense programs. I applaud him for that kind of courageous decision. He also applies it to international affairs, which is often something the administration has not been willing to do.

However, unfortunately, there are two concerns that I have with the gentleman's substitute. One is a $5 billion reduction that would result in the Medicare Program, the program that provides the basic health safety net for our seniors; and, second, there is the fact that the low-income means tested programs would be treated in a similar way, just as everything else. That concerns me because, contrary to popular belief, the fact is that although we are nearly at 7 years of unprecedented economic growth, there are pockets of poverty in this country that need to be addressed, particularly the povertization of our children, where two out of five American children are living in poverty, and many who are working today do not make a living wage. Thus, I believe that to treat the low-income means tested programs in the same way we would treat other discretionary programs, even those in the Defense Department, is something that remains troublesome to me.

Mr. Chairman, I would like to take a moment at this time to compliment the distinguished chairman of the Budget Committee, the gentleman from California [Mr. PANETTA], for the outstanding work he has done in putting together a bipartisan coalition. It has been described as an "ugly child." It has been described in many other terms which I know all of us can use when we have to think of the ideal resolution that we would like to have. However, the fact is that at the end of the day we must have a budget, and the gentleman from California [Mr. PANETTA], the chairman of the committee, has worked bipartisanly with the gentleman from Minnesota [Mr. FRENZEL] and with the administration to put together something which can perhaps bind all of us together. There are portions of it that I do not like, but the fact is that it is probably the best approach that we can adopt at this time, given the fact that the administration refuses to allow revenues or significant entitlements on the table. Without that we are not going to get a major deficit long-term reduction program. So I want to compliment the committee chairman, the gentleman from California [Mr. PANETTA], for the outstanding job he has done and simply say to the Members of this body that after the vote on the Kasich substitute and after the vote on the Gephardt substitute, I urge each and every one of the Members to vote for the bipartisan agreement. It is not perfect. It perhaps will not do the long-term job; but it is a step in the right direction. It ends the gridlock of the last 4 years, and maybe the next step will lead to a bigger deficit reduction.

Second, it also protects low-income programs such as the Women's and Infant's Program, Head Start, and the nutrition programs. It also deals better with Medicare in providing adequate funds.

So, Mr. Chairman, I say to my friends that at the end of the day we should join together in supporting the bipartisan budget resolution and in complimenting the gentleman from California [Mr. PANETTA].

Mr. PANETTA. First of all, Mr. Chairman, I want to thank the distinguished former chairman of the Budget Committee for his kind remarks and for his support.

Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. Mr. Chairman, I rise in support of the committee budget resolution.

Mr. Chairman, just over 1 year ago, I commended the Budget Committee and the congressional leadership for smoothing out their differences with the administration and for reporting out a budget resolution on time and early enough to permit the Appropriations and Ways and Means Committees to begin their part of the annual budget process. The agreement developed during the summit in December 1987 promised to make the budget cycle for fiscal year 1989 smoother and less contentious. Nevertheless, I was concerned that most of the Representatives in Congress were excluded from the budget negotiations in December 1987. I was concerned about the precedent that first budget summit might be setting, a precedent that legitimized the loss of democratic participation over the terms and conditions under which the Federal budget would be created. But I was willing to give the process a chance.

The budget agreement of 1987 did improve the process of creating and enacting the fiscal year 1989 budget. As we all know, last year, for the first time in years, the House passed every one of the 13 appropriations bills by June 30. I was pleased to see that we were finally bringing some rationality and some responsibility to the congressional budget process. I was encouraged to observe that, at last, the House and the Senate were able to agree upon a budget in a timely and orderly fashion and to know that the President would approve those 13 appropriations bills as long as they reflected the terms of the budget summit agreement.

But, 1 year later, no progress has been made. If anything, we are worse off now than we were last year at the beginning of the budget cycle. The concurrent resolution on the fiscal year 1990 budget has not passed on time. The new administration has failed to submit to the Congress a detailed budget request, outlining their views on how the financial resources of the United States should be distributed and invested. In place of a document that would act as a starting point for congressional action, we received a brief, sketchy description of some of the programs that the President thinks should be supported, with no indication of where the funds for these initiatives would be found. We have received economic forecasts that are overly optimistic and that do not reflect sound economic policy or mainstream economic thought. We have been told that the President is adamant about his campaign pledge of "no new taxes" and we have seen that his definitions of "new taxes" and those of his assistants are ideological and unrealistic.

These events have not made the budget process easier for the 101st Congress. They may be early warnings that this year's budget process will generate disagreement and discontent among representatives in both Chambers and from negotiators on both ends of Pennsylvania Avenue.

The circumstances leading to the budget agreement of 1989 are not at all similar to those surrounding the budget agreement of 1987. The 1987 budget summit came after both Houses of Congress had already worked on and passed a number of appropriations bills. The House had already passed a reconciliation bill. There was a substantial foundation of budget work reflecting the preferences of the Members of the House and the Senate.

The 1989 budget agreement was negotiated before any Members of Congress had seen any budget documents or heard budget debates from any source. The only complete budget document we have been able to study is the final fiscal year 1990 budget of the outgoing Reagan administration, and I do not believe that Mr. Reagan himself expected that Congress would work from that budget. The document we received from the Bush administration on February 9 was so incomplete and ambiguous, it has been impossible for congressional staff to evaluate the impact of the President's proposals on current programs and current services.

The budget summit of 1987 occurred in the wake of the stock market crash in October which many of us feared might push the country back into a recession and which many observers of American politics believe was based, in part, on a domestic and international perception that the administration and Congress would not be able to bring down the twin deficits in trade and the budget. The budget agreement of 1989 was negotiated in a period in which it is evident that the economy has stabilized and will continue to grow for the foreseeable future, albeit at a slow rate. While it is still important to reassure domestic and international markets that the U.S. economy is not in danger of failing, there is not the sense of crisis that led to the creation of the 1987 budget agreement.

Let me remind my colleagues that the Reagan administration also insisted on "no new taxes" during the debates over the fiscal year 1988 budget. The Reagan administration threatened to veto every appropriation bill sent to the White House, if those bills would require a tax increase. The administration stubbornly stuck to this position, even after the stock market crashed. It was only with reluctance and after the Gramm-Rudman-Hollings automatic reductions in spending were due to go into effect that President Reagan finally agreed to negotiate with Congress over deficit reduction.

The budget agreement of 1987 was a compromise. It emerged after the areas of disagreement were clear. The budget agreement of 1989 is a capitulation. We have already ceded on the matter of no new taxes, even before the first budget debate begins.

During his Presidential campaign, Mr. Bush promised "no new taxes." But he also promised increased spending and more resources devoted to more than 40 areas of concern, including Head Start, AIDS and health research, education, the homeless, drug abuse and child care assistance. He can only keep both sets of promises if there is a continuation of the deficit or if spending on other programs is cut. But he hasn't disclosed where the cuts should take place and he has not come out openly in favor of a reasonable, detailed budget.

The President's budget has never been a final budget document. It is usually a starting place for congressional debate and negotiation. It is usually the vehicle by which the President's policies are conveyed to Congress. It is an opportunity given to the administration to express an opinion and to shape the direction of budget policy.

Mr. Bush has declined the opportunity to express his opinion. He has not committed himself to a detailed budget that clearly presents his national goals and policies. Under those circumstances, we in Congress should take responsibility for developing a budget that will express the goals and policies of Congress. The dearth of detailed, reliable input from the administration need not tie the hands of Congress in budget policy. I would certainly prefer knowing in advance what the President thinks should be done with the Nation's resources. I am sure most of my colleagues would be more comfortable going into the budget season with an indication of the President's needs and wants. But we can create a budget on our own if we have to and we should have begun to debate a congressional budget as soon as it was clear that the input from the White House would be insufficient and unreliable.

Instead, it appears that Congress will be asked to endorse a budget agreement which allows the President to claim he has kept his campaign promises, but does little to reduce the real deficit that will occur in fiscal year 1990.

We have quickly and quietly agreed to adopt the administration's economic and budget forecasts, despite the fact that no one outside of the executive branch believes those forecasts are realistic. We've been told that GNP will increase by 3.4 percent, that we will see a 5.5 percent interest rate in 1990, that inflation will drop to 1.5 percent within the next 5 years. During his testimony before the Ways and Means Committee in February, Mr. Darman himself admitted that the economic assumptions of the Bush administration were "optimistic", although he hedged his bet by saying that they would not come about if Congress did not adopt the President's budget in toto and with no revisions. When questioned on the assumptions in the Bush budget, former OMB director James Miller said we could realistically expect to see high GNP growth, low interest rates and low inflation only if there were slack capacity in industry or if there were high growth in the labor force. Neither of those conditions exist and the economic assumptions that depend on them are, in consequence, inconsistent, unrealistic and overly optimistic.

According to the 1989 balanced budget agreement, the first concurrent resolution on the 1989 budget will include a deficit of $99.4 billion—just under the revised Gramm-Rudman-Hollings target. I presume we are all supposed to be pleased and relieved that we will be avoiding sequestration and will live by the terms of the Gramm-Rudman-Hollings Act. In reality, our record on predicting the deficit in the first concurrent resolution has not been a source of relief or cause for pleasure. The first concurrent resolution set the deficit for fiscal year 1989 at $108 billion. According to CBO's most recent estimate, the real deficit for fiscal year 1989 will be $163 billion, an error of over $50 billion. Before you try to explain it by referring to the drought last summer, let me point out that, in the first concurrent resolution on the budget for the last 10 fiscal years, we have never accurately estimated the deficit. Our best year was fiscal year 1984, in which the resolution said that the fiscal year 1984 deficit would be $171.6 billion and the real deficit turned out to be $175.3 billion. We missed by only $3.7 billion that year. The year prior, fiscal year 1983, we had the worst estimate ever—a miss of $91.5 billion resulting from a resolution debt estimate of $103.9 that turned into a real deficit of $195.4 billion. Our record of estimating the upcoming deficit is abysmal. If the interest rate on 10-year Treasury bills remains at 8.6 percent, every billion dollars we add to the public debt because we erred in predicting the deficit leads to an additional $86 million in debt service payments from now on. That $47 billion error we made last year will cost us over $4 billion each year from now on.

The 1989 budget agreement includes $5 billion in new taxes, to be collected from an unspecified source. Let me put that figure in perspective for you. Five billion dollars is less than one-half of 1 percent of total outlays in CBO's current services budget for fiscal year 1990. Five billion dollars is less than 20 percent of the difference between the Gramm-Rudman-Hollings deficit target and CBO's estimate of the baseline deficit for fiscal year 1990. Five billion dollars is less money than we would generate if we increased the tax rate in the highest tax bracket by one-half of 1 percent. Yet, even this minimal increase in revenues is contingent on the support of the President, support which may not exist in the future despite the negotiations between the administration and congressional leaders.

The difference between the Gramm-Rudman-Hollings deficit target for last year and the target for this year is $36 billion. The new revenues that have been included in the 1989 budget agreement will reduce that gap by less than 15 percent. Where is the other $30 billion going to come from?

The increase in debt service payments—net interest—is expected to be $12 billion, or 2.4 times the permitted new revenues. According to CBO, total outlays will increase by $46 billion. Even if you use OMB's kinder gentler estimates, we are expecting outlays to increase by over $30 billion. Forty-six billion dollars is a lot of money, but it represents an increase of only 4.9 percent over CBO's baseline outlays for fiscal year 1989. If we assume inflation in fiscal year 1990 will be around 4 percent, we are allowing for an increase in spending of less than 1 percent for all programs—domestic and international, defense and nondefense, discretionary, and mandatory—for fiscal year 1990.

Under the 1989 budget agreement, domestic discretionary spending will be frozen at the fiscal year 1989 baseline level. International discretionary programs will likewise be frozen. Defense spending will take more severe cuts—$4.2 billion according to CBO, $1.7 billion according to OMB. Domestic entitlement and mandatory spending will be reduced by $6.8 billion according to CBO and $7.3 billion according to OMB.

The bottom line on the 1989 budget agreement is that just about half of the $28 billion deficit reduction is going to come from spending reductions. About one-third will come from revenue measures, including new taxes. The remaining one-sixth will come from asset sales, which represent one-time injections of revenues into the system.

The spending cuts seem Draconian. No program will be able to expand beyond its current services level unless we reduce the spending on another program. We will have to make hard choices. Do we want to invest funds in shelter for the homeless or do we want to provide early childhood education and nutrition? Do we want to support programs to encourage economic development in distressed areas or do we want to provide assistance for urban mass transit? Do we want to spend money on AIDS research or on the superconducting supercollider?

There are hard choices to be made. But we've known all along that those choices would face us eventually. Unfortunately, even though we will be making hard choices, we are continuing to duck the real issue. The real issue is how much will really be added to the Federal debt at the end of fiscal year 1990. Last year, we accepted the administration's economic forecasts because doing so was less painful than facing up to reality and addressing the issue squarely. We all cheered and congratulated ourselves when it appeared that the budget we passed for fiscal year 1989 would produce a deficit of "only" $146 billion.

However, when the actual balancing of the outlays and revenues is done, I think we will find that we missed that target by quite a bit. As of the end of April, OMB had estimated the deficit for fiscal year 1989 at $163 billion—$27 billion more than the Gramm-Rudman-Hollings deficit target for fiscal year 1989 and almost 12 percentage points higher than the deficit we thought we are creating under the terms of the 1987 budget agreement.

In comparison to the $2.7 trillion public debt, that mistake wasn't all that bad. After all, the $27 billion excess for fiscal year 1989 represents about 1 percent of the total outstanding public debt. Why should we care about such an infinitesimal addition to our national debt? What harm could it do?

Adding to the public debt increases our debt service payments. Those payments, the interest we pay for financing the cost of spending more than we take in, have grown considerably over the past 8 years. They have increased at an average rate of 14 percent per year since 1981. Payment of net interest accounted for just under 9 percent of total outlays in fiscal year 1980. They will account for 15 percent of total outlays under the fiscal year 1990 budget agreement. Debt service will continue to account for a large part of our outlays, even if we really bring each fiscal year's deficit down to the Gramm-Rudman-Hollings targets.

For fiscal year 1990, we will be paying out $181 billion in interest payments. That is equal to the entire amount of outlays for domestic discretionary programs that has been agreed upon under the 1989 budget agreement. It is 1.8 times the deficit target for fiscal year 1990 and almost three times as much as the deficit target for fiscal year 1991.

From fiscal year 1981 to fiscal year 1989, we paid out $1.064 trillion in interest payments to service the public debt. Think about that. The interest we have paid over the last 9 years is equal to the size of the entire public debt in fiscal year 1981. Or think of it this way: $1.064 trillion would pay for 91 percent of the outlays included in the 1989 balanced budget agreement. From yet another perspective, consider the fact that, according to CBO, the Federal Government will collect $1.069 trillion in revenues in fiscal year 1990. If we had been able to save the $1.064 trillion we've spent on interest since fiscal year 1981, we could now afford to give everyone in the United States a tax holiday. No one in the country would have to pay any taxes at all during 1989 and we would still have the revenues to meet the Gramm-Rudman-Hollings target for fiscal year 1990.

One of the many reasons advanced for submitting the congressional budget process to the discipline of the Gramm-Rudman-Hollings Act was that it would rebuild the confidence of the international markets in our economic system. The April 22 edition of the British periodical, the Economist, included a short article on our 1989 budget agreement. I think the following quotation illustrates well the level of confidence that agreement is generating abroad:

> . . . they patched together a pathetic tissue of mealy-mouthed vagueness and called it a deal. It is a deal nobody could disagree with, except an honest bookkeeper.

We can fool ourselves and our constituents by using creative accounting tricks when we develop the budget. We can adopt unrealistically favorable economic projections. We can ignore the fact that the budget deficit is understated by over $100 billion, the amount held in the Social Security and other trust funds. We can ignore the extent to which the potential liabilities of the Federal Government—such as deposit guarantees, loan guarantees, and mortgage guarantees—pose a threat in the form of future claims against Federal resources. We can agree to leave the billions required to bail out the savings and loans institutions off-budget where they won't affect the Gramm-Rudman-Hollings target. We can do all of these things and, I suspect, we will do most of them.

But when the budget negotiations are over and when the appropriations and tax bills are passed, we will still have to face the fact that the public debt is quickly approaching $3 trillion. We will have to face the fact that we have made very little progress toward achieving a balanced budget, despite the cuts in financing for human capital and public infrastructure improvement. We will have to admit that we continue to face a serious budgeting problem. Readjusting the imaginary Gramm-Rudman-Hollings targets won't stop us from continuing to pay out billions of dollars of taxpayers' money to service a debt that continues to grow.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER], a member of the Budget Committee.

Mr. SCHUMER. Mr. Chairman, first let me say that the chairman of the committee has done a superb job on this budget under very, very difficult circumstances. To my colleagues, let me say that as I watched the budget process it became pretty clear that the chairman of the Budget Committee was the one Member who was trying to hold everyone's feet to the fire. Unfortunately, he had two hands and there were about 12 feet. So we did not get enough of that kind of thing.

This is not a budget that we are going to exalt over. This is not a budget we are going to jump up and down over and say that we should jump for joy because the millennium has arrived and we have done our job. Frankly, we have not yet, but we made a start.

What this budget does under difficult circumstances, under the President's macho read-my-lips pronouncement—which in the end, macho or not, will hurt the country—is this: It says we have done the best we can.

The gentleman from Ohio [Mr. KASICH] has an across-the-board freeze. This is a self-abnegation of government. It says that every program to everyone of us is exactly equal, that we care just as much about this program as we do about that program. It says that we care as much about agriculture subsidies as we care about feeding children; it says we care as much about the defense budget as we do about reforestation; it says we care as much about Head Start as we do about Star Wars. We all know that does not happen, and a cut or a freeze is throwing up our hands and saying that government is not here to make any choices at all.

The main budget that we are here to vote on does try to deal with those choices. Within those parameters of no new taxes are stretched and elastic projections, and that budget makes fair choices.

□ 1510

That budget begins to reset our priorities by putting a lid on defense spending and saying that things like education and children count. It is a small step forward, not enough of one, but one that is better than any of the others here before us today.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Let me just in closing, Mr. Chairman, go back over one more time the provisions in the agreement and just make a couple other points.

Some people here are arguing for tax increases, and my colleagues know it is interesting, as the gentleman from Minnesota [Mr. FRENZEL] pointed out to me a couple weeks ago, about tax increases, and, as I said yesterday, I do not worship at any shrine when it comes to taxes, but the problem is it is the real mood of the Congress to raise taxes and make a few cuts, and then what we do with the taxes, they last forever, and the spending cuts last until the next supplemental appropriation bill. So, we do not use taxes to reduce deficits, Mr. Chairman. We use taxes to raise spending.

If I could become convinced that this Congress would be responsible and take taxes to actually reduce deficits, I could become convinced. But I see supplemental after supplemental that waives the budget, that breaks the rules, and all we do is turn around and raise spending, and I remind my colleagues that it was in 1982 when we raised taxes $99 billion, and our deficits grow every single year, not because we do not have enough taxes, but because we cannot control our spending.

Furthermore, Mr. Chairman, this budget resolution on both the chairman's budget and my alternative budget, we have naturally received $82.4 billion in additional revenues without any taxes. I hope everybody understands that. We have over $82 billion in more revenues, and yet we still in the summit agreement have a deficit of $99 billion, and in my proposal one of $91 billion.

Just to recapitulate this budget proposal here, Mr. Chairman, I want to make it clear to my colleagues what we are doing. We are freezing defense at the 1989 level, we are freezing discretionary programs at the 1989 level. The vast majority of the programs for the poor, the disadvantaged, and the underprivileged are covered in the entitlement programs. I make no changes whatsoever in the entitlement programs. I accept exactly what the budget summit agreed to. My Medicare number represents a 10-percent increase in spending over last year's level, a 10-percent increase. The budget summit agreement only represents a 12½-percent increase in spending.

Mr. Chairman, if my colleagues think that 10 is not enough and that we have to go to 12½, that is fine. Then they will have to vote against me. But it is a 10-percent increase over last year's level, and it is the President of the United States, his proposal, and this would affect the providers of Medicare, the physicians and the hospitals, and we met with the Committee on Ways and Means, and admittedly in order to have only a 10-percent increase in spending, yes, we would have to reform some of what we pay doctors, and, yes, we might have to reform some formulas when it comes to hospitals, but it is not that tough, and the lifting is not that heavy, and it does not fall down on the recipients of the program. It does again provide a 10-percent increase.

Therefore, what I am saying to my colleagues is that continually, speaker after speaker in the well, is saying, "I'm going to hold my nose and vote for an agreement that really does not do a whole lot." Well, mine not only does much in this coming fiscal year by reducing the deficit by $8 billion more than the summit agreement, but in the 1991 fiscal year, because we showed just a little bit of restraint by freezing defense and discretionary programs in the 1991 fiscal year, our deficit reflects, according to the Congressional Budget Office, only a $70 billion deficit.

In other words, do a little heavy lifting today. Do today what you should not put off until tomorrow because that that we could not do in the first year of a new administration and the first year of a new Congress certainly is not going to be done in an election year, and I ask my colleagues to really cast this vote to provide a little leadership in their district to stop the articles from calling us Congressworld and saying how Congress does nothing.

My colleagues, let us show just a little bit of courage here, and let us vote for a program that has a more steady, and more guided and more fair approach to getting these deficits under control and moving us toward a balanced budget.

Mr. Chairman, in closing I want to thank the gentleman from California [Mr. PANETTA] for allowing me to have the time to offer the resolution and the gentleman from Minnesota [Mr. FRENZEL], both of them senior Members. I have great respect for both of them, and I have great respect for their work, and again I want to thank these two gentlemen for the opportunity to present maybe a little bit different direction.

Mr. Chairman, I yield back the balance of my time.

Mr. FRENZEL. Mr. Chairman, I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, just very briefly in closing the arguments here in opposition to the Kasich amendment, I first want to pay tribute to the gentleman from Ohio. He is a new member of the Committee on the Budget. He is serious-minded, he has approached the issues of the budget in a serious way, and he has tried to make a contribution here. As I said on the Black Caucus budget, any group, any individual, who comes here willing to put bold choices on the table deserves a lot of credit, because that is where we are going to have to go if we are serious about deficit reduction. While we were not willing to pass the Black Caucus budget to raise taxes or cut defense, the gentleman from Ohio [Mr. KASICH] is approaching it on the basis of a freeze on both domestic and defense. Although he works on the Committee on Armed Services and is dedicated to the security of the country, he is also willing to put defense on the table, and for that I pay tribute to him.

Mr. Chairman, my hope is that, when we ultimately get around to putting everything on the table, as we should, this approach should be part of that contribution. But in the absence of having everything on the table it is an unfair approach. Obviously, it violates the agreement that was worked out with the administration in providing less funding for defense, international affairs, and domestic discretionary spending. It doubles the cut in Medicare we had agreed to with the administration. It also, I think, is unfair in that it freezes programs targeted at low-income families in this country; obviously, if any group needs at least a small increase in terms of dealing with inflation, it is the people at the lowest end of the ladder.

Mr. Chairman, for all those reasons, while this amendment is a reflection of the dedication and commitment of the gentleman from Ohio [Mr. KASICH] to deficit reduction, in the context of not having everything on the table it becomes an unfair approach. For that reason, I would urge its rejection.

Mr. Chairman, I yield back the balance of my time.

Mr. PORTER. Mr. Chairman, the budget of the gentleman from Ohio is on the right track, but I can see the handwriting on the wall.

In each of the last 5 years, I introduced budget resolutions that resembled the gentleman from Ohio's.

By budgets froze spending by function at the previous year's level; all spending including defense, discretionary spending entitlements, everything.

My budgets used real numbers, including realistic interest rate assumptions and realistic growth projections.

My budgets played no favorites: They froze spending for everyone on the theory that the only fair and equitable way to reduce the deficit is to take a little from everyone and a lot from no one; to spread the inevitable pain of deficit reduction around.

If my budgets had been adopted 5 years ago, we would have no deficit today.

Last year, the Rules Committee finally let my budget come to the floor, as I anticipated, there was little support. Only 64 courageous members voted for it. Only 64 courageous members were willing to go back to their constituents and say "I was sent to Congress to make the tough choices and I did. I'm sorry if it hurts a little, but I'm thinking about our children and grandchildren and what is truly best for our country." Voting to increase spending is simple. Voting to cut spending is tough. But we were sent here to make the tough choices, and to take responsibility for the bottom line.

I have great respect for the gentleman from Ohio for introducing this budget.

It is a step in the right direction and a world-record long jump ahead of the Budget Committee's pitiful effort.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. KASICH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KASICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 30, noes, 393, answered "present" 1, not voting 10, as follows:

[Roll No. 41]

AYES—30

Ballenger
Bates
Burton
Chandler
Crane
Dannemeyer
DeLay
DeWine
Fawell
Gekas
Hansen
Herger
Hiler
Hunter
Kasich
Kyl
Livingston
Lukens, Donald
McEwen
Miller (OH)
Nielson
Oxley
Pashayan
Petri
Porter
Ritter
Rohrabacher
Sensenbrenner
Shays
Stenholm

NOES—393

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Barnard
Bartlett
Barton
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Cox
Coyne
Craig
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Machtley
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCrery
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parris
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stokes
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Whitten

NOT VOTING—10

Bateman
Florio
Jones (NC)
Marlenee
McCollum
McCurdy
Michel
Parker
Pepper
Roybal

□ 1538

Messrs. CALLAHAN, ECKART, and HAYES of Louisiana changed their vote from "aye" to "no."

Mr. RITTER changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 1540

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. GEPHARDT: Strike all after the resolving clause and insert in lieu thereof the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,074,525,000,000.
Fiscal year 1991: $1,144,675,000,000.
Fiscal year 1992: $1,216,450,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,357,435,000,000.
Fiscal year 1991: $1,470,125,000,000.
Fiscal year 1992: $1,547,075,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,171,095,000,000.
Fiscal year 1991: $1,232,725,000,000.
Fiscal year 1992: $1,281,275,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $96,570,000,000.
Fiscal year 1991: $88,050,000,000.
Fiscal year 1992: $64,825,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $785,325,000,000.
Fiscal year 1991: $831,775,000,000.
Fiscal year 1992: $884,350,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $14,800,000,000.
Fiscal year 1991: $6,200,000,000.
Fiscal year 1992: $6,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $69,925,000,000.
Fiscal year 1991: $75,200,000,000.
Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,067,685,000,000.
Fiscal year 1991: $1,157,800,000,000.

Fiscal year 1992: $1,214,050,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $951,020,000,000.

Fiscal year 1991: $1,001,075,000,000.

Fiscal year 1992: $1,040,400,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $165,695,000,000.

Fiscal year 1991: $169,300,000,000.

Fiscal year 1992: $156,050,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.

Fiscal year 1991: $3,374,100,000,000.

Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,025,000,000.

(B) New primary loan guarantee commitments, $107,325,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,425,000,000.

(B) New primary loan guarantee commitments, $114,875,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,150,000,000.

(B) New primary loan guarantee commitments, $119,700,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $305,500,000,000.

(B) Outlays, $299,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $319,175,000,000.

(B) Outlays, $310,175,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $332,500,000,000.

(B) Outlays, $322,425,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $18,300,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $1,775,000,000.

(D) New primary loan guarantee commitments, $6,425,000,000.

Fiscal year 1991:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $16,575,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $6,675,000,000.

Fiscal year 1992:

(A) New budget authority, $18,850,000,000.

(B) Outlays, $16,675,000,000.

(C) New direct loan obligations, $1,850,000,000.

(D) New primary loan guarantee commitments, $6,950,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1990:

(A) New budget authority, $14,525,000,000.

(B) Outlays, $14,175,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $15,075,000,000.

(B) Outlays, $14,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $15,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $4,230,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $6,025,000,000.

(B) Outlays, $3,950,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $4,375,000,000.

(C) New direct loan obligations, $2,250,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1990:

(A) New budget authority, $17,278,000,000.

(B) Outlays, $17,628,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $17,875,000,000.

(B) Outlays, $18,275,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $18,550,000,000.

(B) Outlays, $18,600,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1990:

(A) New budget authority, $18,050,000,000.

(B) Outlays, $14,975,000,000.

(C) New direct loan obligations, $10,050,000,000.

(D) New primary loan guarantee commitments, $5,400,000,000.

Fiscal year 1991:

(A) New budget authority, $20,350,000,000.

(B) Outlays, $16,350,000,000.

(C) New direct loan obligations, $10,225,000,000.

(D) New primary loan guarantee commitments, $5,475,000,000.

Fiscal year 1992:

(A) New budget authority, $21,075,000,000.

(B) Outlays, $15,725,000,000.

(C) New direct loan obligations, $9,675,000,000.

(D) New primary loan guarantee commitments, $5,425,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1990:

(A) New budget authority, $13,425,000,000.

(B) Outlays, $8,240,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $60,500,000,000.

Fiscal year 1991:

(A) New budget authority, $25,450,000,000.

(B) Outlays, $19,650,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $66,350,000,000.

Fiscal year 1992:

(A) New budget authority, $25,075,000,000.

(B) Outlays, $19,875,000,000.

(C) New direct loan obligations, $3,375,000,000.

(D) New primary loan guarantee commitments, $69,625,000,000.

(8) Transportation (400):

Fiscal year 1990:

(A) New budget authority, $30,004,000,000.

(B) Outlays, $29,054,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $30,550,000,000.

(B) Outlays, $29,750,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $31,700,000,000.

(B) Outlays, $30,825,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1990:

(A) New budget authority, $7,267,000,000.

(B) Outlays, $6,834,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

Fiscal year 1991:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $6,850,000,000.

(C) New direct loan obligations, $1,050,000,000.

(D) New primary loan guarantee commitments, $525,000,000.

Fiscal year 1992:

(A) New budget authority, $7,250,000,000.

(B) Outlays, $6,825,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $550,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1990:

(A) New budget authority, $44,580,000,000.

(B) Outlays, $39,948,000,000.

(C) New direct loan obligations, $25,000,000,000.

(D) New primary loan guarantee commitments, $13,125,000,000.

Fiscal year 1991:

(A) New budget authority, $43,375,000,000.

(B) Outlays, $42,500,000,000.

(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $44,325,000,000.
(B) Outlays, $43,800,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $59,081,000,000.
(B) Outlays, $56,903,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $63,150,000,000.
(B) Outlays, $62,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $69,350,000,000.
(B) Outlays, $68,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,850,000,000.
(B) Outlays, $100,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,250,000,000.
(B) Outlays, $112,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,550,000,000.
(B) Outlays, $127,825,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $186,519,000,000.
(B) Outlays, $146,397,000,000.
(C) New direct loan obligations, $150,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $217,425,000,000.
(B) Outlays, $155,600,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,800,000,000.
(B) Outlays, $164,725,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,450,000,000.
(B) Outlays, $5,425,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,250,000,000.
(B) Outlays, $4,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $4,975,000,000.
(B) Outlays, $4,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $31,217,000,000.
(B) Outlays, $29,964,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $31,550,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:
(A) New budget authority, $33,100,000,000.
(B) Outlays, $32,675,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $10,642,000,000.
(B) Outlays, $10,005,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $11,550,000,000.
(B) Outlays, $11,475,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,025,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,072,000,000.
(B) Outlays, $9,692,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,425,000,000.
(B) Outlays, $10,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $197,550,000,000.
(B) Outlays, $197,550,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $214,150,000,000.
(B) Outlays, $214,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $226,650,000,000.
(B) Outlays, $226,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1990:
(A) New budget authority, $0.
(B) Outlays, −$19,275,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $0.
(B) Outlays, −$45,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, −$65,925,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1990:
(A) New budget authority, −$32,125,000,000.
(B) Outlays, −$39,325,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$34,525,000,000.
(B) Outlays, −$34,875,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$35,000,000,000.
(B) Outlays, −$35,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SENSE OF THE COMMITTEE ON THE BUDGET

SEC. 4. It is the intent of the Committee on the Budget of the House of Representatives that—

(1) Congress shall present the revenue portion of the reconciliation bill to the President at the same time as the spending reduction provisions of the reconciliation bill; and

(2) the specific measures composing the governmental receipts figure will be determined through the regular legislative and constitutional process, and agreements reached between the administration and the Committee on Ways and Means on revenue legislation reconciled pursuant to this agreement will be advanced legislatively when supported by the President of the United States.

RECONCILIATION

SEC. 5. (a) Not later than June 30, 1989, the committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b)(1) The House Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1991, $1,172,000,000 in thority and $1,155,000,000 in outlays in fiscal year 1991, and $1,17,072,000,000 in budget authority and $1,055,000,000 in outlays in fiscal year 1992.

(2) The House Committee on Banking, Finance, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(C)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $587,000,000 in outlays in fiscal year 1990, 0 in budget authority and $519,000,000 in outlays in fiscal year 1991, and 0 in budget authority and $591,000,000 in outlays in fiscal year 1992.

(3) The House Committee on Energy and Commerce shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1990, $413,000,000 in budget authority and $2,713,000,000 in outlays in fiscal year 1991, and $426,000,000 in budget authority and $2,726,000,000 in outlays in fiscal year 1992.

(4) The House Committee on Interior and Insular Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1990, $413,000,000 in budget authority and $413,000,000 in outlays in fiscal year 1991, and $426,000,000 in budget authority and $426,000,000 in outlays in fiscal year 1992.

(5) The House Committee on Merchant Marine and Fisheries shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990, $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1991, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1992.

(6) The House Committee on Post Office and Civil Service shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $500,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $500,000,000 in outlays in fiscal year 1992.

(7) The House Committee on Veterans' Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $485,000,000 in budget authority and $752,000,000 in outlays in fiscal year 1991, and $565,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1992.

(8)(A) The House Committee on Ways and Means shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1990, $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1992.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $14,300,000,000 (derived from a national energy security program including import fees of $5.00 per barrel on crude oil and $5.50 per barrel on imported petroleum products) in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

(C) In addition to the above instructions, the House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit as follows: $400,000,000 in fiscal year 1990, $400,000,000 in fiscal year 1991, and $400,000,000 in fiscal year 1992.

SENATE COMMITTEES

(c)(1) The Senate Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,155,000,000 in outlays in fiscal year 1991, and $1,072,000,000 in budget authority and $1,055,000,000 in outlays in fiscal year 1992.

(2) The Senate Committee on Banking, Housing, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1990, $50,000,000 in budget authority and $569,000,000 in outlays in fiscal year 1991, and $50,000,000 in budget authority and $641,000,000 in outlays in fiscal year 1992.

(3) The Senate Committee on Commerce, Science, and Transportation shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1990, $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1991, and $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1992.

(4) The Senate Committee on Environment and Public Works shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1990, $313,000,000 in budget authority and $313,000,000 in outlays in fiscal year 1991, and $326,000,000 in budget authority and $326,000,000 in outlays in fiscal year 1992.

(5) The Senate Committee on Energy and Natural Resources shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1990, $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1991, and $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1992.

(6) The Senate Committee on Governmental Affairs shall report (A) changes in laws

within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $500,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $500,000,000 in outlays in fiscal year 1992.

(7) The Senate Committee on Veterans, Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $485,000,000 in budget authority and $752,000,000 in outlays in fiscal year 1991, and $565,000,000 in budget authority and $221,000,000 in outlays in fiscal year 1992.

(8)(A) The Senate Committee on Finance shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1990, $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1992.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $14,300,000,000 (derived from a national energy security program including import fees of $5.00 per barrel on crude oil and $5.50 per barrel on imported petroleum products) in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

(C) In addition to the above instructions, the Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to reduce the deficit as follows: $400,000,000 in fiscal year 1990, $400,000,000 in fiscal year 1991, and $400,000,000 in fiscal year 1992.

The CHAIRMAN. Under the rule, the gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. PANETTA. Mr. Chairman, I rise in opposition to the amendment and would like to yield 15 minutes of my time in opposition to the gentleman from Minnesota [Mr. FRENZEL] and I ask unanimous consent that he be able to yield his time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. PANETTA] will be recognized for 15 minutes in opposition to the amendment, and the gentleman from Minnesota [Mr. FRENZEL] will be recognized for 15 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, I add my voice of admiration for the work of the chairman and the ranking member and the members of the Budget Committee who I think have done a fine job under extremely difficult circumstances. But my conclusion is that the Budget Committee has produced an agreement with the administration which is simply not good enough. We can do better. I think this alternative budget is better, and I think it is because first it deals with some spending priorities and meeting some challenges that I think as a country we need to meet in the next year.

In the last few years in traveling around the country I have met with a lot of different people and talked to them about the problems that they have faced. I am sure my colleagues have done the same thing.

I have met kids locked in schools in my town in St. Louis and in the Bronx because the school officials could not let them out on the playground because they would meet crack dealers who would give them drugs to get them hooked on drugs. Then after school the parents picked them up and took them home and locked them in their apartments or in their houses because they cannot afford to have them out on the streets, because they will be given crack which they will become addicted to.

I met workers who had good paying jobs earning $10, $12, $15 an hour who lost their jobs and had no way of getting retraining so that they can find a job where they can make a decent living.

I met some of the kids who form the 28 percent of our youngsters who are not going to get their high school degree because we have failed and refused to fund the Head Start Program so that kids who are born in difficult situations have a chance to get an education in this country. Eighteen percent of kids who are eligible for Head Start are in a Head Start Program. If we adopt this budget, 50 percent who are eligible will be able to be in a Head Start Program.

I could go on and on with other spending priorities that are presented with this budget. I do not have time to go through it all, but I urge Members as they consider this alternative to look at these priorities and to think in their own minds of where this country is headed in the next 5 or 10 years in terms of human potential and human capital, in terms of being a competitive force, an economic strength and a world leader of democracy.

How ironic it would be as Russia and Red China begin to look to democracy and freedom that the symbol of freedom and democracy should be declining economically, which I believe we are, and I believe many of my colleagues also think so.

So this is a budget that tries to address these priorities honestly in training, in education, in Medicare and in the various programs that are addressed.

But I want now to go to not just the spending side. We spend about $6 billion on these things, but we raise $9 billion. So we reduce the deficit by $3 billion, not a big deal, but every billion counts.

I would like to talk about the other side of the equation: How is the money picked up. The money is picked up by an oil import fee. It will add 10 cents a gallon at the pump, it will add 10 cents to home heating oil, and it will probably add 10 cents to whatever measure of natural gas, or coal, or other energy supplies that we use. So it is a tax, it is revenue, it is whatever we want to call it. But to me it is a way of raising revenue that compliments and fits in with the entirety of this budget to make this country strong again, to meet one of the major challenges that our country faces.

On my chart here Members can see what has happened to consumption of oil in the last 6 years and see what has happened to production. Production has gone down precipitously, and consumption is going back up to mid-1970 levels. What it means is that we do not have an energy policy, folks, and therefore we are becoming vulnerable and dependent on other countries for energy.

Here on the chart we see the consumption in the United States of foreign oil and foreign energy products. Back in 1984 it was 31 percent. Now it is 43 percent, and experts say that by 1992 our consumption of foreign oil will be at 60 percent of all that we use. If we refuse to have an energy policy that is based on a foundation of price, we will never deal with this problem. We can give incentives to the oil companies, we can do all kinds of things in the Tax Code, but the truth is we will never do anything about this until we are ready to deal with the equation of price.

In the next chart, as the result of that, the imports from OPEC countries go from where they were in 1981, and they went way down as we began to conserve energy and import less of it, and now we are going up to 2200. I just ask my colleagues to think about the consequences of this, therefore, for the security of the Nation, for our Middle East policy, for where we are headed in all of those issues in the future.

On the last chart we show where we wind up in production in the United States, which was shown again by the first chart. When we look at the number of rigs in operation in the United States, whereas we had almost 4,000 or over 4,000 back in 1981, today we have 780 rigs operating in the United States.

We had an oil spill the other day in Alaska, and everybody screamed and yelled about it, as they should have. If we do not get an energy policy, we will continue to explore in environmentally sensitive areas, because that is where the readily available supplies of oil are.

So if Members are worried about the economy, if they are worried about energy, if they are worried about foreign policy independence, if they are worried about the environment, I think an oil import fee is a policy that makes sense.

□ 1550

I want to conclude by again saying that the Budget Committees and especially the chairman did a good job. But they would say and I think everybody in this body would say that this is a slide-by budget. What every one of us has to ask ourselves as we vote is: Is slide-by good enough?

People say next year we are going to do better. And I hope we do. I think you have to ask the question: Are we really going to do better in an election year? Are we going to make more cuts, raise revenues in an election year?

Maybe slide-by will be slit-by next year. And how many years are we going to continue to slide by, to not meet these priorities, to not fund these challenges, to not have an energy policy in this country that is worthy of its name?

I do not think we can slide by any more. Somebody once told me if you put a bunch of frogs in a pot, put it on the stove and turned the heat way up, all the frogs will jump out. But if you put the same frogs in the same pot on the same stove and just turn up the heat a little bit every year, they will just stand there and cook. I do not want to stand there and cook. I do not think you do either. I do not think you want our constituents to.

This is a time to stand up for what you know is right and to say that we can do better. And now is the time to do it.

We do not need leaders when the problems are there. We need leaders now when the problems are apparent.

You can stand up and lead today by saying, "Yes, you can count me in to stand up for the economic strength and for the human capital of our country."

Mr. FRENZEL. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, once again, I stand on the floor of this House, forced to defend simple sanity.

If I proposed a budget amendment to cut our GNP, raise inflation, increase interest rates, damage our competitiveness, worsen the budget deficit, reward polluters and wipe out hundreds of thousands of jobs a year, I'd be laughed off the floor.

But today one of our most respected Members, DICK GEPHARDT, introduced that amendment in the form of an oil import fee, and other Members stood up to applaud him for it.

Now, I like some of the gentleman's spending ideas. Job training, education, Medicare, the Low Income Household Energy Assistance Program—this House has no stronger defender of those programs than me.

But you do not help our workers and low-income families by foisting a regressive, burdensome, inflationary tax on them! That doesn't make sense!

Just 2 months after the worst oil spill in our history, even as big oil takes advantage of that spill to raise gas prices, we're asked to take money from our poorest families and give it to the oil companies. What gives?

I've seen this vampire crawl out of the coffin again and again, trying to suck the blood out of our industry and consumers. We've shown it the cross again and again, trying to keep it at bay. This time let's drag it out into the sun and put a stake through its heart.

Its supporters say it would raise revenues for deficit reduction and for social spending.

They say it's the best way to reduce dependence on foreign oil. They say it would reduce the budget deficit. They say it would reduce the trade deficit. And they say it would protect us against an oil shock.

I keep waiting for Joe Isuzu to show up!

First, the "new revenues" argument. Of course it would give us new revenues. Any new tax would.

But this one is a wildly regressive tax which would punish, not help our low-income families.

Second, "dependence on foreign oil". As someone who served in this body during the Arab oil embargo of the early 1970's, I don't need a lecture on it. But Mr. Chairman, putting 400,000 people out of work won't help anyone. The gentleman from Missouri knows that.

Third, some people argue that taxing imported oil will reduce the trade deficit. That's just wrong.

Our trade problem is not with the oil-producing countries this amendment would hurt—Third World friends like Nigeria and Indonesia—but with oil—consuming countries like Japan and Korea.

In fact, by raising our manufacturing costs, this bill would make our goods less competitive and worsen our trade problems.

Fourth, the budget deficit. My good friend is wrong on this issue too. Yes, it will raise revenues this year. But it will reduce GNP and cut revenues in the long run.

Over 6 years, according to a Data Resources Inc. study, it will increase the budget deficit by $6 billion. A new tax that will increase the deficit!

Finally, the strangest argument of them all.

Serious people have told me that this tax would insure us against an oil shock.

Now, just what is an oil shock? It's when the price of oil goes up quickly, raising the cost of manufacturing and making consumers pay more for their gas. Mr. Chairman, that is just what this bill is! It's an oil shock in itself! It doesn't insure us against another one in the future—it inflicts one on us now!

That's what the bill is not. It's not a money tree. It's not a magic budget deficit wand. It's not a trade deficit miracle cure, or a way to defeat the foreign devils. Now, let me tell you what it is.

It's a burden on our low- and middle-income families. Families who do not qualify for energy assistance. Families struggling to pay their bills, maybe save a few dollars for retirement.

It's a gift to our trade competitors. What do you think they'll be doing in Japanese boardrooms when they hear that we're passing a bill to raise our manufacturing costs? They'll be howling at us!

It's an injustice. It would be a disaster for the Northeast. A disaster, may I say, which comes at the same time we'll be pitching in to help our oil-producing friends clean up their savings and loan mess.

But this isn't a North-South issue, or an East-West issue. Let me tell you what this tax would do to some other States.

It would cost Alabama $357 million every year. Arizona would lose $310 million every year. Hawaii, almost $200 million. Pennsylvania would lose over a billion every year. My own State of Massachusetts would lose $748 million a year. Forty-two out of fifty States will see their economies shrink. Forty-two!

Above all, Mr. Chairman, it is a job killer. When the GNP falls, when our manufacturing industries take yet another body blow, when interest rates go up—jobs go away. This tax, according to the Department of Energy, would cost our country 434,000 jobs every year for the next 5 years!

Mr. Chairman, why would anyone do that to our country? To our economy? To our people?

This is what my dear friend calls a national energy policy. Does that mean he thinks the budget deficit is a national economic policy?

This tax is a shot in the arm for Exxon and the rest of the big oil companies. But it's a shot in the foot for Congress, and a shot in the gut for the country. It is a bad, bad idea, Mr. Chairman.

I urge all my colleagues to vote no on the Gephardt amendment.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Missouri.

Mr. GEPHARDT. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask my friend how he explains that gasoline and energy products in Japan are $3 a gallon and they are about $1.20 here and they seem to be faring pretty well, as I understand it, in the international competition.

Mr. CONTE. There is no doubt about that. But he realizes it even more than I do because he is a trade expert, that in Japan the Government is running everything, the Government is running the banks, the Government is running the industries, and they take care of their people.

But here we do not have that same type of government that you have in Japan. You do not have that kind of subsidy that they give to industry in Japan.

Do you know what would happen here? If you put a $5 per barrel tariff on oil, imported oil, 80 percent of it comes to the Northeast, with a $5 tariff do you know what the oil companies are going to do? Do you know what Exxon is going to do? They are going to raise their oil $5 a barrel and you are going to subsidize Exxon who caused that oilspill up there in Alaska. No way, no way.

Mr. GEPHARDT. Does the gentleman believe energy prices will not be raised in my own State of Missouri or in the Midwest? Do you think the Northeast States are different from the other States?

Mr. CONTE. If you want to raise your prices in Missouri, you go ahead but do not do it to New England. We gave you a good welcome up there. Go to New Hampshire in 4 years and they will drive you out.

Mr. GEPHARDT. I thank the gentleman for his political advice.

Mr. Chairman, I yield 2½ minutes to the gentleman from Texas [Mr. FROST].

□ 1600

Mr. FROST. Mr. Chairman, I rise in support of the amendment and commend the gentleman from Missouri for offering this proposal.

There is nothing complicated about the measure. It seeks to further reduce our national deficit and more adequately fund critical domestic initiatives by raising revenues through a fee on imported crude oil and other petroleum products. It promises to strengthen us domestically by providing revenue to priority programs, and strengthen us internationally by addressing the dangerous increase in our dependence on foreign sources of oil.

The instinct of some of my colleagues may be to react unfavorably to any measure calling for an oil import fee. I ask, however, that you look very closely at this amendment and consider it in the context of our responsibility to better fund programs critical to the well-being of working families, critical to the health of the elderly, critical to the educational opportunities of students, and critical to the very survival of low-income citizens who have suffered most during the Reagan years.

The amendment will increase revenues in fiscal year 1990 by at least $9 billion. This provides at least $3 billion more in deficit reduction than the budget resolution. It provides funding for Medicare, education, basic and applied scientific research, export promotion and rural economic development in amounts greater than those called for in the budget resolution. It allows us to meet, rather than ignore, the challenge to invest our resources in programs that will sustain and improve American competitiveness.

I know I am not alone in wanting these initiatives adequately funded. I hope, and I expect, that there is general agreement that we must make progress in these areas. However, to make progress, we must have the imagination and the courage to come up with new revenues. The amendment before us provides the new revenue through a fee, or tax if you will, on crude oil and other petroleum products coming into the United States from foreign sources.

The amendment instructs the House Ways and Means Committee and the Senate Finance Committee to raise $9 billion in revenue through a $5 per barrel national security fee on imported oil, $5.50 on imported petroleum products. This will be a new, steady source of revenues with which to strengthen and rebuild our domestic economy. At the same time, however, an import fee of this type will serve to correct distortions in world energy markets that have made us dangerously dependent upon foreign oil.

One has only to look at the numbers to see how increasingly dependent our Nation has become on imported oil. In 1985, oil imports represented a little over 30 percent of our domestic consumption. Today we are importing over 43 percent of our domestic petroleum needs. And, this situation could worsen in the years ahead due to a serious decrease in domestic exploration activity.

The key indicator of U.S. petroleum development activity—the number of active drilling rigs—has been declining dangerously. In 1981, the number of active rigs was 3,970, by 1988 that number had fallen to only 936. This most recent trend, combined with increasing domestic energy consumption, provides little hope that we will be able to lower imports without taking firm, decisive steps.

Mr. Chairman, this amendment allows us to respond to current vital domestic needs as well as prepare for and preempt a national energy shortage that could threaten our security. It is aggressive, creative, and responsive to our needs. I urge all of my colleagues to join me in support of the amendment.

Mr. GEPHARDT. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman from Missouri for yielding. I rise in support of the Gephardt substitute. I thank the gentleman for proposing it and giving us an opportunity to vote on it, and I especially appreciate his sensitivity on the AIDS issue.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. RUSSO. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, I rise in strong opposition to the substitute offered by my good friend from Missouri Mr. [GEPHARDT]. I commend the gentleman for his concern about the energy security of the Nation. I expect what he is attempting to accomplish, and I certainly agree with his spending priorities. However, there are more equitable ways to promote energy security than an oil import fee. I would like to make three points in the time available to me.

First, an oil import fee is inherently unfair. By raising the price of imported oil, you raise the price of domestically produced oil as well. The economies of oil consuming States get hit with major energy price increases, while the economies of energy producing States enjoy a windfall. The effect of a $5 per barrel oil import fee would be to shift billions of dollars from the economies of oil consuming States to the petroleum-based economies of a handful of oil producing States. It is difficult to determine the impact of the recapture provision that Mr. GEPHARDT has proposed, but in general terms a $5 fee would shift $10 billion a year out of the economies of the 10 largest consuming States, while providing a net gain of about $6 billion to the economies of the 9 producing States.

Second, I would like to emphasize that this is not just a regional issue. As cochair of the Northeast-Midwest Coalition I am obviously concerned about the impact on our region. However, his fee would also fall heavily upon the consumers of Florida, California, Georgia, Hawaii, North Carolina, Washington, and many other States across the Nation.

And third, Mr. GEPHARDT has proposed a $730 million increase in the Low Income Home Energy Assistance Program to help offset the impact of the $5 fee on the poor. While I strongly support increased funding for the LIHEAP Program, this increase would not even come close to offsetting the impact of the fee. Analysis reveals that a $5 oil import fee would drain $718 million a year from the economy of my State, Michigan. Based upon historical funding patterns, Michigan would receive approximately $41 million of the proposed LIHEAP increase, which would not even begin to offset the impact on low-income consumers in my State.

An oil import fee makes no sense in terms of either energy policy or tax policy. I urge my colleagues to oppose the Gephardt substitute.

Mr. GEPHARDT. Mr. Chairman, I yield 2½ minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I rise in support of the Gephardt amendment, and I hope that what we are doing here today is basically saying that we need a referendum on our national energy policy. I do not suspect that this legislation right now will pass. It has been drafted late. It is a good piece of legislation. The grassroots has not spoken out yet, the editorialists, many who favor this, have not spoken out yet. So I think, if anything, I hope that this vote sparks a referendum on a national energy policy which we do not have.

An oil import fee would be raising revenue. It would improve energy conservation. It would do something about national security and reduce our dependence on the Persian Gulf, and it would do something positive about our trade deficit.

What we have here is an opportunity, also, to raise revenues by $9 billion. I think what is important here is that it not become a regional battle, as colleagues from the Northeast try to do. How do those Members think we in the Southwest feel about the talk about gasoline prices? Distances are important to the Southwest also. If Members try to foist a gasoline tax and a tax hike in that area, that hurts the Southwest enormously.

Members say an oil import fee does the same to them. Perhaps in the future we can combine both of these. We realistically have to look at some new revenues. What this vote will do, hopefully, is stop the Pandora's box and say not only do we need to raise some new revenues to do something about the deficit, but we need a new national energy policy. We do not have one at all. We need to focus on it. Hopefully, the vote will lead Members in that positive direction.

Gephardt substitute to House Concurrent Resolution 106, deficit reduction plan

	Billions
New revenue gain (above committee mark) Oil Import Fee Program	$9.0
New fiscal year 1990 outlays (above committee mark) (see below for selected programs)	−5.845
Additional deficit reduction	3.155
Net deficit reduction	30.855
Deficit (fiscal year 1990 under Gephardt plan)	96.57

Program priorities

	Millions
The Gephardt proposal would increase the outlays for the following selected programs:	
Full funding of omnibus drug bill (including education, treatment, prevention, and law enforcement programs)	$668
Medicare	2,550
Head Start and job training programs	867
EPA operations/global warming research	100
National Institutes of Health research/AIDS research	150
Low Income Home Energy Assistance Program	730
Rural economic development	51
Veterans programs	150
Energy conservation plan/home weatherization	430
National Science Foundation	100
Advanced technologies/Foreign Commercial Service	150
Mass transit programs	10

[From the New York Times, May 4, 1989]

SAUDI KING SEES FURTHER RISE FOR OIL

(By Yussef M. Ibrahim)

PARIS.—King Fahd of Saudi Arabia predicted today that oil prices would rise to $26 a barrel by the end of the year. He also said he favored a policy of restrained oil output that would bolster prices.

The price of oil has risen more than 50 percent in the last six months and now stands at about $20 a barrel for West Texas Intermediate crude oil, the American benchmark. Retail gasoline prices have also climbed. Today, energy prices were up modestly.

The statement by King Fahd is the first time the Saudis have mentioned a specific price higher than the $18-a-barrel level that they have defended since 1985 as the ideal price for oil produced by the Organization of Petroleum Exporting Countries.

The statement appeared to indicate a change in Saudi policy, which for four years has favored lower oil prices. The Saudis had enforced that view by increasing their oil output whenever prices flared up.

STATEMENT FROM KING

In an interview published today in the Kuwaiti newspapers Al Siyassah and Arab Times, King Fahd was quoted as saying: "I expect oil prices to reach $26 at the beginning of the next year, provided production ceilings are strictly adhered to. I am sure oil prices will remain good and are on their way to improving further."

Hisham M. Nazer, the Saudi oil minister, said in a telephone interview tonight that the King "means to stress that a commitment by all oil producers to their production quotas will allow the natural balance of supply and demand to work."

"The natural increase of demand for oil which we witness will eventually raise prices up as the King noted," Mr. Nazer said.

He added that the King does not "want the price raised to $26 by reducing production or anything like that."

The Saudi monarch is the primary decision maker on Saudi oil policy.

In the interview, the King seemed to oppose demands from some oil producers to increase oil output and he also strongly denied rumors that have suggested that the Saudis were producing more than their OPEC-mandated quota of 4.5 million barrels a day.

'COMMITTED TO OUR CEILING'

"Violating production quotas is not in the interest of the Kingdom and similarly not in the interest of other producing countries whether they are in OPEC or not," the King said in the interview. "We are committed to our ceiling and will not violate OPEC decisions."

A number of oil industry newsletters have said Saudi Arabia is exceeding its quota by at least 400,000 barrels a day. But an Arab oil industry official in Saudi Arabia, who asked not to be identified, said any excess was going into storage instead of being sold on the oil market.

Saudi officials have repeatedly said that they would insist on retaining the Saudi share of OPEC production, which is about 24 percent.

The Saudi statement came amid increasing resistance by Saudi Arabia to demands by other oil producers in the Persian Gulf region, notably Kuwait and the United Arab Emirates, for higher production quotas.

The Saudis have repeatedly opposed such demands, arguing that more production would undercut the current strength in oil prices.

Part of the Saudis' reasoning is that the rise in oil prices is not necessarily a reflection of higher demand for oil but rather of unusual circumstances. These include supply-disruption problems like the spill from the Exxon Valdez oil tanker in Alaskan waters and several accidents on North Sea oil production platforms in recent weeks.

OPEC is scheduled to meet in early June to discuss its production and pricing policies.

[From Time Magazine]

STEP ON THE GAS, PAY THE PRICE

(By Barbara Rudolph)

"We're really living with a false sense of security," warns George Mitchell, an independent Houston oilman. "We're heading for deep trouble." What provokes Mitchell's dire prediction is the shriveled condition of the U.S. oil-drilling industry, which he believes has made the country seriously vulnerable to a future energy emergency. "We're losing ground faster than we might have predicted even a few months ago," he says. Adds John Watson, another Houston oilman: "All the people have left, rigs have been dismantled, the financial industry has turned its back on oil and gas. It would take an all-out crusade to come back."

Not everyone is quite so gloomy, but the current brisk run-up in oil prices serves as a reminder that the U.S. energy supply is increasingly under the influence of outside forces. During March commodities traders bid the price of oil above the $20-a-bbl. threshold for the first time in 17 months. Last week the futures price of West Texas Intermediate, the benchmark U.S. crude, reached $20.15 a bbl., up some 50% since last October. The rally largely reflects an unexpectedly successful campaign by members of the Organization of Petroleum Exporting Countries, along with several non-OPEC countries, to curb their output and reduce the world's oversupply. Since early January, OPEC production has fallen about 3.5 million bbl. a day, to some 19 million.

While the price of petroleum is still a long way from its $35-a-bbl. peak in 1981, the U.S. is sliding back to a level of dependence on foreign sources not seen since the oil-shock days of the 1970s. January petroleum imports averaged 8.1 million bbl. a day, up almost 21% from a year ago and surpassing domestic production (8 million bbl.) for the first time in more than a decade. The import surge has hampered efforts to shrink the U.S. trade deficit, and rising prices have aggravated inflationary pressure.

As if the 1970s were only a bad dream, consumers have been content to step on the gas. Sales of light trucks and four-wheel-drive vehicles, which generally guzzle more fuel than autos, have set U.S. sales records for four of the past five years. Small wonder: the price of gasoline adjusted for inflation, is at its 1965 level. Among customers choosing a recreational vehicle, says Bill Jocoy, a saleman at Northwoods RV Supermarket in Lansing, Mich., mileage per gallon ranks only fifth or sixth among their priorities, after color and floor plan.

The long stretch of low oil prices during the 1980s has discouraged U.S. exploration and consumption. Only 740 drilling rigs were operating in the U.S. last week, down from 943 a year ago and a far cry from the 4,500 functioning rigs in late 1981. Exxon's spending on domestic drilling dropped nearly two-thirds from 1985 to 1987, to $333 million. Oil experts estimate that prices will have to stabilize at no less than $25 a bbl. to encourage a drilling resurgence in the U.S. Many American oil companies have boosted their exploration overseas, where finding oil typically costs $1.50 to $2 less per bbl. than in the U.S.

What would happen if foreign producers cut off the U.S. supply of crude, as OPEC did in the 1970s? In the short run, the U.S. would not experience dire shortages. A Commerce Department study found that in the event of war, the country's demand for fuel could be met by domestic production and the Strategic Petroleum Reserve. Created 13 years ago, the reserve is now up to 515 million bbl., equivalent to about three months' total consumption, stored in salt caverns along the Gulf Coast of Texas and Louisiana.

The Government study concluded, however, that if foreign supplies were cut off oil prices would quickly skyrocket, inevitably sending the economy into a tailspin. Because production takes years to gear up, the U.S. petroleum industry could not fully make up the slack of the lost imports. Says John Boatwright. Exxon's chief domestic economist. "It's not a garden hose you can turn on and off."

Washington is showing renewed interest in measures that would encourage oil companies to produce more and consumers to use less. One proposal is to increase incentives to the oil industry, which has moved its production overseas partly because tax breaks for U.S. drilling have declined in recent years. Another resurgent idea, which appeals to legislators primarily as a means of cutting the budget deficit, is to increase the 9% federal gasoline tax by anywhere from 5¢ to 50¢.

Opening up more federal land to oil exploration would be another way to bolster the energy industry. Earlier this month the Senate Committee on Energy and Natural Resources approved legislation to allow drilling in Alaska's Arctic National Wildlife Refuge. Experts believe the field may hold enough oil to supply U.S. needs for about 20 months. But the bill will face fierce opposition from conservationists who argue that drilling could destroy caribou, polar bears and other wildlife. Opoosition could be bolstered by last week's Alaskan oil spill.

Even if the Arctic Refuge is developed, the U.S. will remain in the position of a hungry consumer with a relatively small larder. The Persian Gulf now holds two-thirds of the world's proven oil reserves. The U.S. share is less than 3%, while its annual consumption has reached nearly 30% of world-wide usage. Those sobering figures are reason enough for the U.S. to avoid gas-gulping habits that would bring on another painful awakening.

[From the Baltimore Sun, Apr. 25, 1989]

Oil and Security

With the price of oil spurting to three-year highs (though lower yesterday), the Bush administration is slowly coming around to the notion that the United States needs a credible energy policy. It is even contemplating oil import fees to spur domestic production, and may in time have to consider higher gasoline taxes. This might appear to be pursuit of the obvious, but it contradicts President Bush's past rhetoric. Reality is closing in.

While the current surge shows the sensitivity of the oil futures market to the Exxon Valdez tanker spill and a platform explosion that took out a quarter of British North Sea oil output, it is a temporary phenomenon. World production capacity is currently 6 to 8 million barrels a day in excess of demand. What is not temporary is the long-term dependency of the industrial democracies on oil supplied by an uncharitable OPEC cartel.

Saudi Arabia's former oil minister, Ahmed Zaki Yamani, predicts that Persian Gulf producers will supply 75 percent of the world's oil exports by the mid-1990s. Today they account for 45 percent. We submit these chilling figures are as menacing to free world security as Soviet arms. Yet the Reagan administration meandered through eight years of seductively low energy prices, and as yet the Bush administration has shown scant urgency.

Mr. Bush's laid-back reaction to the Alaskan disaster gave environmentalists the chance they craved to block oil exploration and drilling in the Arctic Natural Wildlife Refuge. Now the administration is going to have a hard time convincing the country that if U.S. oil doesn't come from Alaska, it will have to be hauled here by tankers carrying foreign oil. So ecological risks will remain.

With the public still sensitized against nuclear energy (note Long Island's still-born Shoreham plant), the United States cannot count on any quick relief from its oil dependence. So it is condemned to OPEC oil prices just cleverly high enough to discourage expensive domestic production and to oil imports that boost the trade deficit.

What must the nation do to manage this dependence? Tap its own cost-competitive resources. Develop energy alternatives with Carter-era zeal. Promote arrangements with Mexico, Canada and Venezuela to insure supply by guaranteeing these neighbors market share. Define an overall energy policy that will safeguard the nation's security.

What has happened in Alaska and the North Sea is calamity enough. There is no need to compound it by ignoring its message.

[From the Los Angeles Times, Mar. 10, 1989]

Need for National Energy Policy

The Times editorial "Guzzling Oil" (Feb. 20) correctly warns of the dangers facing this nation in its steadily increasing reliance on imported oil, amounting to 45% of total petroleum consumption in January.

To cope with the rising menace of oil imports, The Times recommends adoption of a national energy policy that includes conservation by users and development of alternate energy sources.

Unfortunately, those measures—even if instituted promptly—are not sufficient to assure gasoline enough to keep automobiles rolling, industrial machinery producing and electric power plants operating. What is urgently needed now is a meaningful "Declaration of Energy Independence."

There are effective measures that are readily available to reduce our precarious reliance on overseas suppliers of oil, but those alternate means are being blocked by envionmental extremists and political forces. For example, attempts to increase offshore oil drilling along the California coast have met strong opposition.

Nuclear energy is another alternate power source that faces formidable challenges whenever it is proposed. The U.S. Council for Energy Awareness of Washington, D.C., reports that the nation's existing 110 nuclear electric plants have cut foreign oil dependence by 3 billion barrels since the first Arab embargo in 1973-74 and have saved us over $100 billion. They say more plants are needed. But mention of any new nuclear power installations sets off a storm of protesters.

Some years ago studies were under way for construction of a large hydroelectric power plant in Bridge Canyon, on the Colorado River, above Lake Mead and the highly successful Hoover Dam power plant. Hydro plants run cleanly, without any emissions to the atmosphere. They are an ideal electric power source. Nevertheless, largely through a nationwide propaganda campaign by the Sierra Club, that desirable project has been shelved.

The conservation program that The Times suggests is desirable, but it is not enough. Strict rationing is inevitable at some future critical time unless the opposition to proven and reliable alternate energy resources is overcome.

Robert Lee.

Newport Beach.

The attention to the subject of the U.S. oil industry is timely, appreciated and close to home. After all, even though California's agriculture, high-technology, and tourist industries are high profile, oil is a major component of the Golden State's economy. If Kern County, which is in my congressional district, were a state, for example, it would rank fourth among all states in oil production.

The Times solutions to the growing reliance on foreign oil are worthy, but fall short of the mark. Congress should think about encouraging conservation and stimulating use of alternative energy sources. Congress should not, however, look for ways to expand its meddling in the marketplace.

As a representative of a district that in addition to producing oil, produces geothermal, solar, and wind energy, I am less enthralled with the idea of a national energy policy.

Indeed, the restrictions on Alaska North Slope crude are prime examples of the folly of tight government regulation. ANS crude cannot be exported. Prevented from finding its economic home abroad, this oil most often—because of geography—is delivered to California, almost 800,000 barrels daily. This influx of oil depresses the price of oil produced in California, and in the past, such price cuts have forced California producers to reduce output or even to plug and abandon wells.

The key is: If you want to do something about America's dangerous reliance on foreign supplies and the industry's "inexorable decline," part of the solution must be to encourage domestic oil and gas exploration and production.

How? Simply—by offering incentives for U.S. oil producers to drill more wells and to continue to operate those already drilled. There are an estimated 26 billion barrels of proven, recoverable oil in the United States today, of which approximately 5.2 billion barrels (at the end of 1987) are in California. Producing oil and gas isn't like sipping soda through a straw. If we stop producing oil and gas from wells already in operation, reservoirs will repressurize and we'll ultimately lose currently recoverable energy.

Some of my colleagues, such as Rep. Bill Archer (R-Texas), and I have been trying to encourage oil and gas producers to go forward with the fossil fuel work this country needs. The industry has the technical expertise. We're suggesting tax incentives for the industry to invest in new operations.

Among other things, we are suggesting tax credits for exploration and development and marginal production from stripper wells (those producing less than 10 barrels a day), heavy oil, and secondary and tertiary production to keep today's wells in operation.

If we don't give U.S. oil producers incentives now, it will be too late for the domestic industry to provide relief from imports later.

Representative WILLIAM M. THOMAS.
WASHINGTON, D.C.

Congratulations for your editorial. You are so correct, and the public does not realize that companies cannot drill and produce oil in a short period of time. I believe it was something like 10 years before Exxon was able to produce oil from the Santa Barbara area after the discovery. And still everyone says "don't drill off our shores." Anyone who has driven along the coast highway can attest to the fact that there is nothing unsightly about the platforms out there. And it is a proven fact, from the gulf areas, that the best fishing is near and around the producing platforms.

People should be made to understand that it is in the interest of our national security to find as much oil as possible, and all geologist think that the best chances to find something big lie off the California and northern Alaska coasts.

ROBERT L. GRADY.
SAN MARCOS

[From the Los Angeles Times, Dec. 27, 1988]

ENERGY POLICY DEBATE GETS SHORT SHRIFT AMID OIL GLUT

(By Donald Woutat)

LEESBURG, VA.—A motley group of 100 oilmen, environmentalists, lobbyists, politicians, consumer advocates and bureaucrats convened here on a November weekend to bang out a hypothetical new energy policy for the United States.

Huddled at a bucolic corporate retreat 40 miles from Washington, they pretended that it was 1993 and there was an oil crisis going on. The idea was to show that everybody could cast aside their differences and agree on what to do.

There were dozens of plans to tax gasoline or imported oil, subsidize oil and gas exploration, boost solar and wind technology, swap debt for Venezuelan oil rights, run cars on natural gas, toughen auto fuel economy standards, expand the country's strategic oil reserves.

But the efforts at compromise fell through when they ran out of time, tripped up by an oil-state governor's opposition to siphoning off taxes to shield the poor from skyrocketing oil prices.

Then, two environmentalists complained that the rest of the group was not taking them seriously. A politician, recalling old battles among the same cast of characters, whispered to a colleague: "They haven't changed a bit."

That is how it goes when you try to fix something that isn't broken yet.

Convinced that the nation is headed for deep trouble on the oil front in the mid-1990's, people worried about the future price and availability of energy are working feverishly to get the nation's attention and force action to forestall the problem.

For example, the group that conducted the simulated energy conference in November, called the American Energy Assurance Council, was formed last year out of a concern for the political paralysis that seems to lead from any broad debate on energy. The council wanted to find a consensus on energy policy to present to the new Administration.

The sharply rising need for imported oil has "profound implications, whether your principal concern is environmental quality, economic productivity or national security," said the group's chairman, Gov. George Sinner of North Dakota, one of the oil states hurt by low prices.

Indeed, the oil import surge, gathering environmental clouds and the arrival of exoilman George Bush in the White House all point to the creation of a more recognizing energy policy than has existed under President Reagan.

"I've lived energy policy," Bush said during the campaign, "and my Administration will act on that experience."

He supports a bigger role for natural gas as a "bridge fuel" toward the post-oil era, tax incentives for U.S. oil and gas producers, a greater government role in energy research, faster filling of the Strategic Petroleum Reserve and other measures. He is opposed to an oil import fee but is being heavily pressured to endorse a big jump in the gasoline tax to cut consumption.

However, the nation was not able to put together a coherent energy policy even amid the oil shocks of the 1970s. The political paralysis is likely to be even worse when oil is plentiful and cheap, the federal budget is deep in the red and the problem is 5 or 10 years away.

"There's no credibility for an energy problem today. Future problems have no credibility in the U.S. system," said Daniel A. Dreyfus, the former longtime staff director of the Senate Energy Committee who is now a vice president at the Gas Research Institute.

Nor has the past exactly pointed the way. Indeed, much of today's policy talk is framed by the miscalculations of the last 15 years.

The complex oil price controls of the 1970s are derided for worsening the jolts of 1973 and 1979. And Jimmy Carter's designation of energy independence as a multibillion-dollar "moral equivalent of war" is now viewed by some as a jumbled overreaction.

By contrast, it became a benign issue under President Reagan. Declining world oil prices and abundant supplies freed the Administration to stand back and enjoy the economic fruits of cheap energy.

While the Administration touts its decontrol of oil prices as a big cause of today's cheery oil picture, this is roundly disputed. The President, whose decontrol merely finished what Carter began, is seen as having lucked out by entering office at almost exactly the moment when world oil prices peaked.

"It is part of the luck of the President that he came into office after OPEC had already set into motion a process that would result in a diminishing U.S. appetite for oil," said Edward N. Krapels, president of Energy Security Analysis Inc. in Washington and a leading analyst on the subject.

RELIANCE ON IMPORTS

The collapse of prices in late 1985 changed the game, unleashing forces that have dramatically increased U.S. reliance on imported crude. Since then, leading energy officials in the Administration have clashed publicly on what it means.

Secretary of the Interior Donald P. Hodel warns darkly that the import surge will lead to shortages. But Energy Secretary John S. Herrington sees an indefinite period of plentiful supplies of imported oil from a more stable Middle East.

In fact, a faith in free markets has convinced some that the nation should worry less about its increased reliance on imported oil and enjoy the stuff because it is cheaper to produce than our own. Rather than tear up Alaska and California coastal waters looking for more oil, we can save it for a real crisis. Besides, the horror stories about scarce, $100-a-barrel oil and an omnipotent OPEC by the mid-1980s were wrong.

And the decontrol of prices since the oil shocks, some argue, will tend to self-correct the swings in oil markets, driving down demand and boosting supplies when prices surge. That is supposed to protect the nation from extreme energy jolts.

BOTCHED FORECASTS

Krapels, who served in the former Federal Energy Administration, says of the botched forecasts: "That experience turned even people like me into a schizophrenic. The economist in me says let's import all the cheap oil we want."

But, referring to the political volatility of the Middle East and the self-protective political instincts of the United States, Krapels adds: "The political scientist in me says that's naive."

For that reason, the surge in oil imports worries those in and out of the Reagan Administration. Its 1987 report, "Energy Security"—written by then-Deputy Energy Secretary William F. Martin, now a top energy adviser to Bush—drew compliments for setting out the potential problems posed by rising imports and analyzing the world energy picture.

But it was attacked for stating the obvious without any hard prescriptions to head off the escalating dependence on Middle East crude. To critics, the document symbolized a complacent or non-existent energy policy.

"It was a terribly bland, indifferent document," said Pentagon consultant James S. Critchfield, longtime energy officer for the CIA and former head of CIA operations in the Near East and Eastern Europe. He added:

"Nobody in the U.S. government has said anything profound or important about energy in several years."

Meanwhile, the Administration has ended subsidies for alternative energy projects and slashed spending on conservation research and development by 70%, saying the oil glut lessened the need. It shifted the emphasis to long-range, high-payoff research in such fields as superconductivity.

Private industry has not picked up the energy research ball as the Reagan Administration had postulated, a General Accounting Office study concluded last year. And the government's relaxation of auto fuel economy standards has eased the research pressure on auto firms, which do most research into auto fuel efficiency.

The most important gain in energy security under Reagan—growth of the U.S. Strategic Petroleum Reserve to a current 550 million barrels—owes more to Congress than to a budget-cutting Administration, which tried to slow or freeze the filling of the salt-cavern storage areas. Meanwhile, nuclear weapons programs grew to account for two-thirds of the Energy Department budget.

(Although Congress attacked the Administration for backpedaling on energy, lawmakers themselves approved higher speed limits, boosting gasoline consumption further.)

ACTIONS MISS MARK

Thus the actions of the 1970s and 1980s-repeatedly missed the mark, leaving the nation with no clear direction at a critical juncture on the world oil scene, according to Rep. Philip R. Sharp (D-Ind.), chairman of the House subcommittee on energy and power.

Sharp said that the nation over-reacted in the 1970s and under-reacted in the 1980s, and added: "This is likely to lead to the next generation of problems—shortages or high prices and crash programs to catch up in the 1990s."

Sharp and others say that today's calm is an opportunity to build a sensible, balanced energy policy and head off the storm. But the debate so far reflects the familiar tensions between the short-term need to find more oil and the long-term need to quit using it.

If the lack of a current oil crisis creates inertia, the environment and the fiscal crisis are serving as a sort of proxy. Two of the major energy options on the nation's agenda—limiting the use of fossil fuels and slapping a higher tax on gasoline—are driven by those hotter issues.

Last summer's record heat and drought, seen by some as more evidence of global warming, triggered a wave of proposals in Congress to limit the use of fossil fuels, like coal and oil, that contribute to the so-called greenhouse effect, the trapping of reflected solar radiation by atmospheric gases.

It remains to be seen how much staying power the global warming issue will have in the oil debate. Coal, not oil, may be the bigger culprit in the greenhouse effect. But oil's other environmental shortcomings are being raised anew as a red flag.

Martin, Bush's adviser, says: "Energy is very much an environmental issue in many quarters today."

The environment bolsters the case for perhaps the most widely supported energy initiative: a bigger role for natural gas in place of oil. This was one area of agreement between Bush and Democratic opponent Michael S. Dukakis.

Natural gas is increasingly seen as a nifty answer to several energy problems because it is plentiful and burns more cleanly than oil or coal. There may be as much natural gas left in the United States as there is oil, and the infrastructure to deliver it is in place.

"Natural gas has become the new swing fuel, the hinge where energy and the environment coincide," said Daniel Yergin, president of Cambridge Energy Research Associates in Massachusetts.

But the potential is limited. Policies urged by Bush's advisers to expand the uses for gas would displace less than one-ninth of today's U.S. oil consumption. Only a major role for natural gas to fuel cars—technologically possible but uneconomical today—would make a big dent in oil consumption.

Bush backs oil exploration in such areas as the Alaska National Wildlife Refuge, and he endorses a package of tax incentives and relief for hard-hit independent oil producers. This puts him at odds with many environmentalists and those charged with narrowing the budget deficit.

To appease environmentalists, Bush has already moved to limit drilling off the California shores. To appease the budget makers, he is being urged to agree to a big hike in the current 9.1-cent-a-gallon federal gasoline tax.

Seen as a way to undercut Americans' resurgent demand for oil, a gasoline tax hike has credibility with the likes of Alan Greenspan, Paul A. Volcker and Rep. Dan Rostenkowski (D-ILL.) only because a penny a gallon raises $1 billion a year. A 50-cent tax would be a powerful tonic for problem No. 1, the budget deficit.

Compared to the 1970s, advocates believe a big tax increase would be less burdensome to the economy because gasoline costs less in real terms than at nearly any time since 1935. And it would remove a sore point with Europe and Japan, which control gasoline use with heavy taxes that make motor fuel two to three times costlier than in this country.

Whatever its fiscal virtues, some question the value of the gasoline tax as energy policy, arguing that a tax large enough to significantly cut gasoline usage would amount to political suicide. Hundreds of organizations are opposed. And it would do nothing for oil and gas exploration.

Support for nuclear power, meanwhile, is barely audible. Nuclear—despite its advantage in alleviating global warming and acid rain by displacing coal in the production of electricity—gets this limp embrace from President-elect Bush: "We mustn't ignore nuclear power, either."

A familiar assortment of other energy ideas is backed by the usual groups, which generally line up as producers versus consumers.

At November's energy crisis," the producers wanted an oil price floor, greater access to public land for drilling, deregulation of natural gas, incentives to capture more oil from old fields, a new generation of nuclear reactors, more money for energy research and development and getting clean-coal technology to market.

The environmental and consumer group wanted a stiffer auto gas-guzzler tax and gas-sipper rebate; tougher efficiency standards for cars, appliances and buildings; protection of public lands from drilling; more funds for resarch in renewable forms of energy such as solar and wind, and a "carbon user's fee."

If there is a consensus on how to weave such narrow ideas together, it is that the problem is international and that solutions should encourage the full range of energy options, not favor one form over the next.

Sharp says energy policy must recognize that "a French nuclear plant and a Japanese advance in photovoltaics and a U.S. improvement in automobile fuel efficiency all contribute to a reduction of world oil demand."

Martin says: "Your success is gauged by the dependence of the [Western] nations on the Persian Gulf. It can't be just oil. It can't be just domestic."

In fact, some of the most important steps this country can take should be directed overseas, many energy experts argue. Because we must have imported oil, one school says the nation should focus on getting more of those imports from outside more of those imports from outside the Middle East by pushing foreign oil exploration, as Japan does, or arraging long-term supply deals.

One idea is forgiving bank debt in Venezuela or Mexico for assured supplies of crude oil or natural gas. With dollars and other support, Venezuela's enormous reserves of heavy crude oil could vastly improve the energy security of the United States, said Henry Schuler, a former oil executive now at the Center for Strategic and International Studies.

"I'm much more interested in expanding supply than in managing shortages," Schuler said.

The energy implications of glasnost have not even been touched on, said ex-CIA man Critchfield. The rudimentary oil and gas technology employed by the Soviet Union and China has left in the ground untold billions of barrels of oil that could be recovered by modern techniques, significantly increasing the world's pool of non-OPEC crude oil, he said.

"There has not been a standing back and looking at energy in this changing context," said Critchfield. "The Eurasian land mass is not nearly as well explored as North America."

Although the alarm over U.S. reliance on Middle Eastern oil sometimes conveys a military danger, most experts say the real threat is economic. Nor are we "running out of oil" in the sense that, one day, it will all be gone.

The world has several hundred years' worth of oil that can be pried from sand, shale and other underground vaults if society is willing to pay $50 or $100 a barrel. The Western Hemisphere has plenty of such oil in places like Alberta, Colorado and Venezuela. Eventually, this pricey oil will rise or fall in competition with whatever alternatives emerge.

"Rather than strightforward exhaustion of oil resources, the genuine concern for the next several decades should be that most of the world's cheapest oil reserves and potential resources are located in the unstable Persian Gulf," said the Reagan Administration's energy security report.

The dangers of this reliance, said a 1987 report by the Aspen Institute, lie in three overlapping areas: the long-term economic shock caused by a radical swing in price, the ease with which oil shipments from distant lands could be cut off and the limits imposed on U.S. foreign policy as the West's dependence on Middle East oil grows.

Are we worried? The opinion research of Ethel Klein, associate professor of political science at Columbia University, is cited by both oil and environmental interests to show that the public is agitated about energy. But that is not quite right.

She says it is a more remote issue than it used to be and will get more abstract as time passes without any big price or supply problems.

People are "far from agitated," she said. "It's not salient the way it was in other times. It's latent. It either has to hit the pocketbook or it has to explode in the Persian Gulf."

Mr. RUSSO. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. Mr. Chairman, 3 minutes is clearly not enough time to articulate all of the things that are wrong with the Gephardt amendment, but let me talk about a few.

One, the imposition of an oil import fee violates the most basic tenet of American tax policy, and that tenet is that all regions of the country will be treated neutrally by the Tax Code. Clearly, a $5 per barrel tax on imported oil will disadvantage certain sections of the country economically to the economic advantage of another. I suggest to my colleagues that that is bad tax policy.

Second, it obviously violates the GATT agreements we have with our allies.

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The General Agreements on Tariffs and Trade that would be violated with the adoption of the Gephardt substitute would encourage and probably guarantee that our allies will respond. Third, study after study has shown that the imposition of an oil import fee is probably the most inefficient way to raise revenue. At the cost to the consumers of this country of $35 billion, the Federal Treasury will only receive $7 to $8 billion. It is totally inefficient.

But I do think my good friend, the gentleman from Missouri, deserves credit for one or two things in this amendment. He states most eloquently that neither in this budget nor during the course of this past decade have we in this Congress invested enough in the domestic needs of our people, and I fear we will pay an awful price for that disinvestment in the next decade and in the next century.

Second, we are not doing enough about the energy concerns and security of this country. There is a pending energy crisis, but he Gephardt cure, let me suggest to my friends, is worse than the disease. This idea has been floated since 1959 under President Eisenhower and has been summarily rejected time after time by administration after administration. It is bad tax policy, it is bad trade policy, it is inefficient, and it should be overwhelming rejected by this House.

Let me just say in conclusion that President Reagan opposed this type of taxation, and President Bush opposes this type of taxation. If we are going to deal with equity in our Tax Code, we ought not to disadvantage one section of the country over another. There will be enough regional economic problems that this Congress will be facing in the course of this year. We need not make the fight regional or indulge in sectional bias with the imposition of an oil import fee.

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. DONNELLY. I am happy to yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, let me say that I agree 100 percent with what the gentleman has said, and I commend him for his statement.

Mr. DONNELLY. Mr. Chairman, I thank the chairman of the Trade Subcommittee for his kind words.

Mr. FRENZEL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in opposition to the amendment, and I would note again for the record that it violates the bipartisan agreement. But in the case of this particular amendment, that is not the worst of it. The Gephardt amendment raises taxes and it raises spending, and those are two things that probably all Americans agree should not happen at the same time.

As the previous speaker indicated, it hits the oil-using regions and industries hardest, those who are resource-poor, and it hurts all U.S. industries and makes them less competitive to the extent that they are energy consumers.

This is an amendment that is supposed to reverse the fortunes of America and make us more competitive. The net effect is certain to make us less competitive. And if we like inflation, we will love the Gephardt amendment. Let us get those energy prices up, folks, and everybody can pay more money. Is that not a wonderful thing for our economy? Are any of our people ordering inflation? Are any of our constituents demanding that we have more inflation? Well, if there are, Members can help them by voting for the Gephardt amendment.

The amendment is antifree trade at a time when we are trying to get other nations to open their markets. What will happen is that we will be retaliated against. And who will be retaliated against? Oh, nobody except just the people who are efficient and competitive in this country, just the farmers, just the aerospace people, just the high-technology industries. Those are the ones that will pay the price.

The amendment will force a permanent taxation; more than that, the Gephardt amendment assumes that these costs are not going to be passed on to the consumer. Anybody who believes in the tooth fairy will certainly subscribe to that point of view.

So I say, with regard to this grand America-first policy, it is a good thing that the maker of the amendment is going to put money into low-income programs, because he is surely going to create a lot of low-income families.

Mr. GEPHARDT. Mr. Chairman, I yield 3½ minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I am going to vote for the Gephardt amendment. I commend the gentleman from Missouri [Mr. GEPHARDT] for maybe bringing forward the only spirited discussion of the day, although I think the gentleman from California [Mr. DELLUMS] did as well when we dicussed the Black Caucus budget. I think it is healthy for us, I think it is good for us.

I have three reasons why I am supporting the gentleman's amendment. First of all, it brings us more deficit reduction, and $3 billion here and $3 billion there starts to add up in terms of interest rates and everything else. Having served now on the Budget Committee for some time and being now in my fifth year, I realize that the fact of the matter is that every billion dollars in deficit reduction is really hard to come by. So an extra $3 billion in deficit reductions is a plus.

The gentleman brings us a revenue raiser. Whether it is a tax, a "duck," as he says, whatever we want to call it, it makes sense. It makes sense because it will force us to conserve energy in this country. Anyone who has looked at the amount of energy that we consume in this country, compared to Europe, for example, quickly learns that if we could just adopt the energy-efficient standards of Europe, we would save one-half the energy we expend in this country. The fact is that Europe is thriving and Japan is thriving, and their gasoline prices are fully way higher than ours.

Anyone who knows anything about the greenhouse effect, the fact that we cannot continue to rely on fossil fuels the way we do, would support this revenue raiser as making sense. It would help us to be less dependent on foreign oil and, therefore, help our balance of trade. For those of us who make speeches about the imbalance of trade, this is a way to resolve or at least begin to resolve that issue.

But I want to focus on what the gentleman does with the $6 billion of added revenues. he gives us $6 billion that we desperately need. I know that I speak for the committee chairman, the gentleman from California [Mr. PANETTA], because there were so many more things the chairman wanted to do in this budget, things that he felt needed to be done, things that were bold, things like expanding Head Start so that we could accommodate 50 percent of those eligible. We know the program works. We know what it means to a kid to get a head start in this Nation. It has been 20-plus years since we started the program, and we know the people who go to Head Start succeed. How wonderful it would be to do that.

The gentleman puts money into the environment to finally begin to look at the global warming research problem, what we need to do to save our society and save our environment. He looks at the AIDS budget, and he understands that we need to do a lot more there. I could go on about that, but I will not at this point.

The gentleman looks at low-income energy assistance and to my friends in the Northeast who are worried. He fully funds that program to help those who will need low-income assistance.

He looks at veterans' programs. My friend, the gentleman from Mississippi [Mr. MONTGOMERY] made the case so clearly that we need to help our veterans. This would really do it.

He looks at science, he looks at mass transit, and he raises the money to pay for these programs through a revenue raiser that makes sense.

Mr. Chairman, I support the Panetta budget. I was proud to be a part of it. I was proud to help craft it. I think what the gentleman from Missouri [Mr. GEPHARDT] does is to take the Panetta budget and make it better. He does the things we desperately wanted to do but could not do. I urge a yes vote for the Gepardt amendment.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I am strongly opposed to the amendment offered by my good friend from Missouri [Mr. GEPHARDT].

Despite the recapture provision that raises some revenue on domestic oil, and the programs on which some of the revenue is spent, the key issue and the only real issue in this debate is whether or not you support an oil import fee.

There are numerous reasons to vote against this substitute; most of them have been mentioned. It violates the budget agreement. It may not be the best agreement in the world, but it was the best that could be produced. All that will fall apart if this amendment passes.

Second, it makes those who vote for it look like they are pursuing the same old tax and spend policies that Congress has been accused of in the past.

Third, it probably violates GATT and would therefore subject domestic manufacturers to trade retaliation. We have already found that to be the case in the small difference in the Superfund tax on domestic and imported oil, and reportedly the administration is working on a proposal to equalize the tax to avoid threatened retaliation.

And there are other reasons to oppose the substitute as well. It would probably be slightly inflationary, reduce gross national product somewhat, increase unemployment somewhat, and increase the competitive disadvantage of some industries as they compete in both domestic and foreign markets.

But the fundamental reason to oppose this amendment is a regional one. The key issue here is the unescapable fact that an oil import fee transfers wealth from the 41 oil-consuming States to the 9 oil-producing States. That is what it does. And it is not acceptable to me nor to my constituents. And, of course, it hits those who heat with home heating oil the hardest—especially the elderly who are living on fixed incomes.

Consequently, for all these reasons, I urge all of my colleagues to overwhelmingly vote down this substitute.

□ 1620

Mr. FRENZEL. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I rise in strong opposition to the amendment. An oil import tax is a tax that would be passed directly to consumers most adversely affecting those who could least afford it. It does fall disproportionately on the poor and those in rural areas, those who of necessity use more fuel than the average consumer.

The gentleman from Massachusetts [Mr. CONTE] suggested that this amendment may represent a Missouri position.

Mr. Chairman, I do not speak for all of Missouri, but for my part of it I want to register the strongest possible "no."

Mr. GEPHARDT. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, the budget before you and that submitted by the President reflects two realities of American life. We have a budget deficit, and there is a general sense that there should be no general tax increases. Both are real factors, but they are not the only problems before this budget.

Mr. Chairman, each day we speak of competitiveness, energy, debt, science, health, education, the war on drugs. To talk of those issues but to not have them reflected as priorities of this country in our national budget is to not address them at all. The Gephardt amendment is written squarely looking into the face of each and every one of these national priorities. It is an honest statement, not about what people would like to hear, about what they need to know instead in America.

Mr. Chairman, I know that the Gephardt amendment is not the first choice of some of my colleagues for raising revenues, but the fact remains that on this floor today, if we want to preserve important programs, have real deficit reduction, it is the only choice remaining. To avoid it is to accept the fantasy of the last campaign, that we can ask less, do less, and somehow accomplish more.

The source that the gentleman from Missouri [Mr. GEPHARDT] has identified is an oil import fee of $5. It is not popular in my State of New Jersey, but it is profoundly in the national interest. I share the concern of my colleagues from Kentucky, and Massachusetts and Michigan, those who have cold weather States, but, if we are concerned about 10 cents on a gallon of oil next winter, think about in the 1990's when it is not 10 cents, but no oil available at all.

If my colleagues are concerned about the cost of education, and heating and classrooms next winter, think about the cost if we cannot fully fund education this year and in the years ahead. Those are the costs, not just for our State, but for the whole country; not just for next winter, but for the whole country; not just for next winter, but for the whole next generation.

Mr. Chairman, there are a variety of benefits to the gentleman's budget. First, of course, is national security. In 1989, as he has outlined, we will have returned to the 1973 levels of oil imports. Profound foreign policy consequences will follow, but in some respects we will be in a worse position than in 1973. U.S. production of oil is at the lowest point in 24 years. What is more, it has shifted to the most vulnerable international sources. It accounts today for 25 percent of our national trade deficit.

Mr. Chairman, I urge the Members of this House to join with the gentleman from Missouri [Mr. GEPHARDT]. This is a realistic approach. It makes sense, and it is the only honest alternative.

Mr. PANETTA. Mr. Chairman, I yield 30 seconds to the gentlewoman from Ohio [Ms. OAKAR] for the purpose of a colloquy.

Ms. OAKAR. Mr. Chairman, I thank the gentleman from California [Mr. PANETTA].

Mr. Chairman, I intend to support the Chair's budget, but I do want to ask this question.

Does the budget offered by the chairman, the gentleman from Missouri [Mr. GEPHARDT], freeze the COLA for Social Security recipients, civil servant retirees, railroad retirees, and military retirees?

Mr. PANETTA. No; it does not freeze it. It provides for full COLA's for all of those areas.

Ms. OAKAR. Mr. Chairman, I thank the gentleman from Missouri.

Mr. PANETTA. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in strong opposition to the amendment of the gentleman from Missouri [Mr. GEPHARDT].

Mr. Chairman, make no mistake about what this amendment does. Certainly it raises the money, the $5.5 billion that the gentleman says, and puts it in the Treasury, and then it takes another $6 billion out of the pockets of the oil consumers, our constituents, and puts it into the hands of the oil companies, big, medium, and small.

If my colleagues really want to raise revenues and really want to conserve, Mr. Chairman, put an across-the-board energy tax on instead of giving $5 billion to the Treasury and $6 billion to the oil producers. Give the full $11 billion to the oil producers. A tax on imports is robbery because what it says very simply is that we are more concerned with giving some companies extra profits than we are with raising revenues or with conservation.

Mr. Chairman, this is a misguided amendment. I am sort of ashamed that it is on the floor when there are so many other ways to raise revenues that were not allowed on the floor, and we should, Mr. Chairman, roundly vote this down.

Mr. GEPHARDT. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. CHAPMAN].

Mr. CHAPMAN. Mr. Chairman, let me just take my minute and a half to address what I think most of the American people sent most of the Members of this House here to do. That is to address what I believe to be the most critical two issues that we face. That is the twin deficits—our budget deficit, which is astronomical, and our trade deficit, which has created so much mischief.

Mr. Chairman, the Gephardt substitute addresses both of these deficits in a positive way. Someone asked, "What do we do about trade?" One-third of our trade deficit is due to the purchasing of imported oil. Some $50 billion of our trade deficit this year will be for the purchase of imported oil. We do not control the price. The free market does not control the price of imported oil. OPEC controls the price, and we have seen in the last 6 months price-shock that demonstrates that it is critical that we regain control of our economic future by regaining control of the strong domestic petroleum industry.

The other thing, Mr. Chairman, is our budget deficit. The Gephardt substitute is a positive way of generating more money to apply on the deficit. At the same time, it puts a new initiative and more funds into critical areas that, I think, every Member of this House agrees, we wish that we could do.

Mr. Chairman, we should support the Gephardt substitute. It is a rational, smart approach with national security implications, and it accomplishes a positive goal.

Mr. GEPHARDT. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I thank the gentleman from Missouri [Mr. GEPHARDT] for yielding this time to me, and let me compliment him for offering what I think is a very important amendment which this country desperately needs.

Mr. Chairman, some people on the budget want to make a deal, some people want to make progress. Unfortunately I think we have made a deal not to make progress this year, at least not very much progress; which is my consternation with the entire budget process. With this amendment itself, the gentleman from Missouri [Mr. GEPHARDT] offers us an alternative policy that would really address our budget problems.

First, Mr. Chairman, it would reduce the trade deficit; second, it would reduce the budget deficit; third, it would provide some additional added resources for much-needed programs in this country, and, finally, it would, stimulate much-needed domestic oil exploration.

I think this is one of those policies that makes sense for several different reasons. I know some people have stood on this floor and said, "This is awful for agriculture." "This is terrible policy," they say, "for the home heating fuel user in the East." But they misunderstand the Gephardt amendment. It is not a statute but an instruction to the Ways and Means Committee.

Mr. Chairman, there is nothing in the amendment of the gentleman from Missouri [Mr. GEPHARDT] that prohibits the Committee on Ways and Means from constructing an oil import fee with special exemptions for agricultural users, export manufacturers, or home heating fuel consumers. There is nothing that prevents that at all.

My guess is that, were we to mark up an oil import fee, we would do it in a very responsible manner. We would recognize regional concerns and develop a fair, effective import fee.

Some people come on the floor and say, "We like a big gas tax." I know why they do that. They come from States where there is much less driving than in other States. I understand that.

□ 1630

Some people say we would like an oil import fee regardless of regional impacts. Well, I understand that motivation, too.

Let one observe that the oil import fee, as a matter of fact, gives this country many benefits. It addresses the budget deficit. It reduces the trade deficit. It resurrects domestic drilling. It does a number of things for this country to build an energy security policy. That is why I am glad the gentleman from Missouri [Mr. GEPHARDT] brought this to the floor for debate.

I am going to support this amendment and I hope a good many Members of the House will support this amendment. It provides needed revenues. It reduces a couple deficits and our dangerous and growing dependence on oil imports. It provides some additional help to produce domestic exploration at a time when this country needs some stimulus in domestic energy activity, because drilling is at its lowest levels in two decades.

So I compliment the gentleman from Missouri.

Mr. GEPHARDT. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I want to commend the gentleman for an excellent idea whose time has come. For the last 8 years we have been devoid of a policy for energy in this country. We are now going to reap the whirlwind.

Every time there is a problem with oil, the price will go up. We have no comparable national domestic exploration or production. If you want to keep getting a sharp stick in the eye from those who control oil, especially in the Middle East, then vote against the Gephardt amendment, and 5 years from now when they want to make it $40 or $50 a barrel and strangle us, and those poor folks that these people over here who oppose this amendment are talking about will be five times as many and will have no jobs because we cannot afford any oil from overseas and we will not have any domestic oil of our own.

Well, go ahead and vote against the Gephardt amendment. The reality is now is the time to install a policy. Now is the time to speak up. Now is the time to close the trade deficit. Now is the time to speak up on behalf of Americans who have had no voice in how to run this country effectively with American jobs, American products.

I might add one thing. What will we do in wartime without any oil flowing into this country because it cannot get here? We need our oil production. We need our own exploration and we need folks who will sell it to us for less than they will sell it to us from overseas.

I urge you for the most important of reasons to vote for the Gephardt amendment.

Mr. GEPHARDT. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, we are going to pay higher prices to somebody for oil in America. We are either going to pay it to the foreign suppliers who are now supplying nearly 50 percent of the oil to this country, almost as much as they did at the height of the Arab oil embargo, or we are going to pay it to someone here in America to produce oil for us. That is the choice.

The gentleman from Missouri [Mr. GEPHARDT] says that it is time for us to do something good for America when it comes to this horrible problem of imported oil. He is saying it is time for us to do something about encouraging domestic oil and gas production.

No, there is not a recapture provision in this amendment. It is something we could do, but we did not do.

No, there is not an exemption for Venezuela, Mexico, or the good old OPEC nations, who did not embargo us, but it is something we could do in an oil import tax plan.

The gentleman from Missouri [Mr. GEPHARDT] is saying that it is time for us in America to do something to increase the incentive to produce our own energy.

Let me tell you something. We dropped the marginal rates from 90 percent when Kennedy was President to 33 percent a couple years ago. Now we are investing 67 cent oil in investment, rather than 10 cents. If we do not do something to encourage it, we are down the tube.

Mr. GEPHARDT. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, I rise in support of Congressman GEPHARDT's amendment to the budget resolution. I applaud my colleague's effort to achieve a number of important goals in his amendment—helping our depressed domestic oil and gas industry with an oil import fee, funding high priority programs including the war on drugs, Medicare and science, and further reducing the Federal budget deficit.

I have been a strong supporter of an oil import fee and I introduced a bill early in this Congress to establish one. An oil import fee is a vital component of a comprehensive energy policy designed to preserve a healthy domestic oil and gas industry as a secure foundation for satisfying our Nation's future energy needs. This is an industry in serious trouble at the moment. U.S. oil production is at its lowest level in a quarter century. Less than half the drilling rigs operating just 3 years ago are active today. In 2 or 3 years, half the oil consumed in this country will flow from foreign rigs, a level we have never seen before. By the turn of the century our dependence on foreign oil may reach 70 percent. It is clear these trends present a significant national security problem which we can no longer ignore. An oil import fee will help turn this situation around.

Mr. Chairman, the health of the domestic oil and gas industry is important to the entire country, not just the oil patch. By allowing our domestic industry to be dismantled, we are helping OPEC get back in the saddle again. As the cartel reasserts control, oil prices will rise, perhaps sharply, and we will be increasingly at the mercy of the sheiks, the mullahs and the Qadhafis for our energy. It is the nonoil producing regions of the country that would suffer the most if this scenario unfolds, just as was the case following the two earlier oil shocks.

I wish to add a cautionary note, Mr. Chairman. There has been talk of including a recapture provision on some domestic production as part of Mr. GEPHARDT's National Energy Security Program. This idea deeply troubles me. A recapture provision strikes me as a thinly disguised windfall profits tax. I fought long and hard to get the windfall profits tax repealed last year. It was an unfair tax and a disincentive to domestic production. I cannot lend my support to any effort to reinstate this kind of tax. A recapture provision would significantly reduce the positive benefits to our energy industry which would flow from an oil import fee. With that cautionary note, Mr. Chairman, I urge my colleagues to vote for the Gephardt amendment.

Mr. GEPHARDT. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, this is a national issue. Eight years ago we had over 4,000 rigs producing in this country. Today it is around 700.

We are soon going to be importing more than one-half of our oil. That is a dangerous policy for us. We have got to do something to help the domestic oil industry.

Now, some Members have stood in the well today and said, "Oh, you can't put a fee on imported oil because the cost of home heating oil would go up," and they flay their arms and they give us a Don Quixote performance because they say Congress just cannot increase the price.

The fact of the matter is we need to do something with our national policy to help American producers. Perhaps there are better ways to do it than an oil import fee. If there are, I would like to hear them; but I have got the feeling that when we offer other legislation that will be an incentive for the domestic industry, you will not be about to find any of those people who have been complaining about this approach with a sheriff's posse or a police escort. There will be some other reason why they do not want to support it.

Now, it is in our national interest to do something for the domestic industry. This is a modest proposal. It does increase oil prices some. We ought not to kid ourselves about that. But it will help the budget. And it is bad national policy for us to continue to allow our production to go down. Soon we will produce less than 50 percent of the oil we use. That is bad national policy.

Mr. Chairman, we ought to support this amendment.

Mr. FRENZEL. Mr. Chairman, I yield myself 4½ minutes.

Mr. Chairman, after this House dispatches the Gephardt amendment, we will have a vote on final passage of House Concurrent Resolution 106, the Budget Committee's budget resolution.

There is going to be a tendency for some Members to say, "Well, nobody voted for my amendment. I'll vote against this one. I can find something wrong with it and if I go home and vote against it, somebody else will have to vote for it and I have a free vote."

I would like Members who are considering taking that course of action to consider what the alternatives are. After the Gephardt amendment is defeated, you will simply have a choice between the so-called bipartisan budget agreement, agreed to by the administration and my congressional leaders, and embodied in House Concurrent Resolution 106, or you will have chaos. A vote against the bipartisan agreement is clearly a vote in favor of chaos.

It has been suggested as we have debated this bill that there is nothing good about House Concurrent Resolution 106, that everyone is going to hold his or her nose who is obliged to vote for it.

Mr. Chairman, I am not a great enthusiast for this resolution. I think the point of view I represent had to give the most when this compromise was arrived at, but as the day has proceeded I have become more and more enthusiastic. I do not want us to have to take a sequester across the board. I do not want to have to raise taxes all the more. I do not want to cut into national security requirements, nor to defeat our ability to perform with international programs. I do not want to see domestic discretionary programs reduced by reason of sequester.

I believe that this House should be a large majority and I hope both parties will support this budget resolution because it is the best that remains. It is not the best conceivable. We could not bring forth a budget that every one of you could endorse wholeheartedly. We did bring forth a budget resolution I think that all of you can support, at least somewhat. It was produced in a cooperative way between Republicans and Democrats, between people and legislators. It was produced promptly. It proved to the world that we can work together and this was a pretty disenchanted world that thought this Congress could not work together between the parties and with the executive branch.

□ 1640

It provides hope for the future in article 13, that is, we will immediately begin discussing fiscal year 1991 and hope that we can bring the Members something much better for that year.

I would ask each Member as that Member considers the vote on this House Concurrent Resolution 106 to consider the alternative to passing a budget resolution. In so doing, I think they will want to support the bipartisan budget agreement. I hope they will. I intend to, not halfheartedly, not with my nose held, but with enthusiasm that it was the best procurable, and that we can do better for the future.

Mr. Chairman, I yield back the balance of my time.

Mr. GEPHARDT. Mr. Chairman, I yield my 1 remaining minute to the gentleman from Louisiana [Mr. HAYES].

Mr. HAYES of Louisiana. Mr. Chairman, energy policy in America has got to be just that: policy, not reaction. We have to plan for the future and not react to yesterday.

Right now, instead of the Commander in Chief, we have the captain of a vessel deciding the future energy policy for this country. There was a time only a decade ago when way more than half the oil consumed by Americans was produced by States like mine in Louisiana where we were dependent upon the hard work of roughnecks who paid taxes to send their kids to school and who, if necessary, were willing to put on a uniform to defend them. Only a short decade later now, more than half the oil we consume is by and through and from our competitors whose annual financial reports dictate their view of American and who, as global competitors, care about one thing: bottom-line profit.

When the next crisis comes, I will go back to Iowa, and I will go back to New Hampshire, and I will say what we said before: America's future has to be in the hands of those who are prepared for it in advance, not who just react to it in a crisis.

Mr. PANETTA. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I rise in opposition to the Gephardt amendment. He is a very close friend and someone I deeply respect in terms of his sincerity and views. He also has been willing and strong enough to offer a bold suggestion here in terms of the oil import fee. I commend him for his courage, and I commend him for trying to distribute those funds into areas of critical domestic needs, but I am opposed to it because it violates in a fundamental way the bipartisan agreement that was worked out between the congressional leadership and the White House in that it increases revenues beyond that agreement.

Mr. Chairman, let me also, if I may, take these moments to conclude with regard to the budget resolution itself. I think the amendments that have been presented here before the Congress today make the best case for the budget resolution reported out of the committee and that is now before the House. There are no other alternatives that are acceptable to the House, and we are as good as a majority of the House in terms of what can be enforced in a budget resolution. It is clear that there is no majority here to do it through gold bonds in terms of dealing with the deficit. It is clear that there are Members here who do not want to increase taxes or cut defense more than what we have in this budget resolution. It is clear that there are Members who do not want to do it through a total freeze in spending on domestic or defense spending, and I think it will also be rejected in regard to the issue of raising an oil import fee in order to deal with the deficit issue. There are no other alternatives.

What we have presented in the committee budget resolution, with all of its limitations and while it is not perfect, it is the only chance for us to fulfill our budget responsibilities under the Budget Act and to avoid failure and to avoid crisis.

In addition, there are some key arguments in support of this budget resolution. It is bipartisan. It has been worked out between both sides of the aisle with the President and the congressional leadership. It does produce deficit reduction in terms of meeting the Gramm-Rudman goal. It protects the priorities that we care about in the Congress in terms of meeting the needs in this country, and it is our only hope for setting the stage so that we can develop a stronger and bolder approach hopefully in the future in terms of deficit reduction.

Mr. Chairman, for all of those reasons I urge the Members to pass this budget, because it fulfills the agreement that has been worked out between the President and the Congress, but, more importantly, it fulfills our responsibilities under the Budget Act to produce a budget resolution.

Mr. Chairman, I yield back the balance of my time.

Mr. BORSKI. Mr. Chairman, I rise today in opposition to the oil import fee proposed by my friend from Missouri, Mr. GEPHARDT.

While I commend Mr. GEPHARDT for his attention to such high-priority programs for jobs, health care, and education, I object to the method with which he proposes to raise funds for these programs.

An oil import fee would raise energy prices in all States, but it would be especially damaging to States in the Northeast region of the country. These States consume more oil than they produce.

The oil import fee proposed in this substitute would shift billions of dollars from these oil consuming States to those States which produce more oil than they consume. There are only nine net oil-producing States in the whole country.

A $5 per barrel oil import fee would be devastating to the economies of the Northeast States. My State, Pennsylvania, would be one of the hardest hit in the Nation. Pennsylvania's economy would lose $1.1 billion annually at a cost of $93.25 a year for every man, woman, and child in the State.

Low-income families, senior citizens and people on fixed incomes—those that the Gephardt substitute seeks to aid—would bear the brunt of an oil import fee. These individuals pay a larger share of their income for energy, and an increase in gasoline and home heating oil prices is something they cannot afford. In addition, an oil import fee would raise prices on all products, putting even more strain on the lower income family budget.

I do not believe that an oil import fee that benefits some States at the expense of other States is good energy policy or good budget policy. I urge my colleagues to oppose the Gephardt substitute.

Ms. SNOWE. Mr. Chairman, I rise in opposition to the Gephardt substitute, which advocates a major tax increase through a fee on imported oil and petroleum products.

This Congress has wisely not accepted the idea of an oil import fee year after year, recognizing in principle that it is certain to damage the national economy, cause significant inflationary increases to consumers, and cut deeply and disproportionately into the pocketbooks of citizens in my State of Maine and other States throughout the Northeast.

The facts speak loudly about how negative the impact of a fee on imported oil would be, the most obvious effect being a dramatic rise in the price paid by consumers for oil, gasoline, and other petroleum products.

However, the negative effects of an oil import fee would be felt by the entire economy. Estimates suggest the following: National industrial production would decline by an average of 2.5 percent over the next 5 years; inflation would increase at an annual average rate of 1.5 percent; real GNP would decline at an annual average rate of 0.9 percent; and the economies of 42 out of 50 States would shrink, which could dampen the U.S. record of achieving 77 consecutive months of economic expansion.

I am especially concerned about the effect such a fee would have on residents of the State of Maine, where the costs of heating oil and gasoline are burdensome enough as it is.

It would be simply unconscionable to hike these already prohibitive costs to families.

Mr. Chairman, again, I urge my colleagues to oppose the Gephardt substitute.

Mr. BRENNAN. Mr. Chairman, I rise in opposition to the Gephardt amendment to the budget resolution.

I oppose it because it will place a disproportionate burden on the frost belt region, which has a high dependence on imported oil. Why should the frost belt region be saddled with this revenue-raising scheme?

Like any sales tax, furthermore, this tax is regressive. The poor pay a higher percentage of their income for fuel costs, and therefore this tax will fall disproportionately on the poor.

This is not a fair and equitable method of raising our revenues. President Bush has spoken loud and clear on the issue of a tax increase. I join with a majority of my colleagues not to alter President Bush's tax pledge at this time.

Supporters of the amendment have also argued that it will increase energy efficiency. I am a supporter of energy conservation and energy efficiency.

However, in the past 8 years our Government has neglected efforts at energy conservation and efficiency. Federal programs in this area have been cut by some 70 percent. The corporate automobile fuel efficiency standards have been relaxed.

Let us take up these fair, effective measures to conserve energy before we consider laying the burden of higher fuel prices on those least able to carry it.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Missouri [Mr. GEPHARDT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GEPHARDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 49, noes 373, not voting 12, as follows:

[Roll No. 42]

AYES—49

Andrews
Anthony
Baker
Barton
Boggs
Boucher
Boxer
Brooks
Bruce
Bryant
Bustamante
Chapman
Coelho
Coleman (TX)
Combest
Coyne
Crockett
Dorgan (ND)
Dymally
Edwards (CA)
Fascell
Fazio
Ford (TN)
Frost
Gephardt
Hall (TX)
Hayes (LA)
Holloway
Hoyer
Leath (TX)
Lehman (FL)
Leland
McCrery
Ortiz
Owens (UT)
Pelosi
Perkins
Pickle
Richardson
Sarpalius
Skaggs
Smith (FL)
Stenholm
Tauzin
Torricelli
Walgren
Wilson
Wise
Young (AK)

NOES—373

Ackerman
Akaka
Alexander
Anderson
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Ballenger
Barnard
Bartlett
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Bonior
Borski
Bosco
Brennan
Broomfield
Browder
Brown (CA)
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Collins
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Cox
Craig
Crane
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fawell
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (MI)
Frank
Frenzel
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Lehman (CA)
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Oxley
Packard
Pallone
Panetta
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Penny
Petri
Pickett
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Sabo
Saiki
Sangmeister
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (MS)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stokes
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)

NOT VOTING—12

Bateman
Florio
Lewis (CA)
Marlenee
McCurdy
Michel
Parker
Pepper
Roe
Roybal
Sensenbrenner
Smith (NE)

□ 1703

Mr. ENGEL and Mr. COUGHLIN changed their vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. GRAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 106) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, pursuant to House Resolution 145, he reported the concurrent resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the concurrent resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 263, nays 157, not voting 14, as follows:

[Roll No. 43]

YEAS—263

Ackerman
Akaka
Anderson
Andrews
Annunzio
Anthony
Archer
Aspin
Atkins
AuCoin
Ballenger
Barnard
Bartlett
Barton
Bennett
Berman
Bevill
Bilbray
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Buechner
Bustamante
Byron
Callahan
Campbell (CA)
Chandler

Chapman	Hiler	Petri
Clarke	Hochbrueckner	Pickett
Clement	Houghton	Pickle
Clinger	Hoyer	Price
Coble	Hubbard	Pursell
Coelho	Huckaby	Quillen
Coleman (MO)	Hunter	Rahall
Conte	Hutto	Rangel
Conyers	Hyde	Ravenel
Cooper	Inhofe	Regula
Coughlin	Ireland	Rhodes
Coyne	James	Richardson
Crockett	Jenkins	Ridge
Darden	Johnson (CT)	Rinaldo
Davis	Johnston	Rohrabacher
de la Garza	Jones (NC)	Rose
DeWine	Kaptur	Rostenkowski
Dickinson	Kennelly	Rowland (CT)
Dicks	Kildee	Rowland (GA)
Dingell	Kleczka	Russo
Dixon	Kolbe	Saiki
Donnelly	Kostmayer	Sangmeister
Downey	Lantos	Sawyer
Durbin	Laughlin	Schiff
Dyson	Leach (IA)	Schneider
Eckart	Lehman (CA)	Schumer
Edwards (CA)	Leland	Shuster
Edwards (OK)	Lent	Sisisky
Emerson	Levin (MI)	Skeen
Engel	Lipinski	Skelton
Erdreich	Livingston	Slattery
Espy	Lloyd	Slaughter (NY)
Evans	Lowery (CA)	Smith (FL)
Fascell	Luken, Thomas	Smith (MS)
Fazio	Machtley	Smith (NJ)
Feighan	Madigan	Smith (TX)
Fish	Manton	Smith (VT)
Flake	Martin (IL)	Smith, Robert
Flippo	Martin (NY)	(OR)
Foglietta	Martinez	Snowe
Foley	Matsui	Solarz
Ford (MI)	Mavroules	Solomon
Ford (TN)	Mazzoli	Stallings
Frenzel	McCloskey	Stangeland
Frost	McCollum	Stokes
Gallegly	McCrery	Stump
Gallo	McDade	Sundquist
Gaydos	McDermott	Swift
Gejdenson	McEwen	Tanner
Gekas	McGrath	Tauke
Gephardt	McMillan (NC)	Thomas (CA)
Gibbons	McMillen (MD)	Thomas (WY)
Gillmor	McNulty	Torres
Gilman	Meyers	Traficant
Gingrich	Miller (CA)	Udall
Glickman	Mineta	Unsoeld
Gonzalez	Moakley	Upton
Goodling	Molinari	Valentine
Gordon	Mollohan	Vander Jagt
Gradison	Montgomery	Vento
Grandy	Morella	Volkmer
Grant	Morrison (WA)	Vucanovich
Gray	Murtha	Walsh
Green	Myers	Waxman
Guarini	Natcher	Weber
Gunderson	Neal (NC)	Weldon
Hall (OH)	Oakar	Whittaker
Hammerschmidt	Oberstar	Whitten
Harris	Ortiz	Wise
Hastert	Oxley	Wolf
Hatcher	Packard	Wolpe
Hawkins	Panetta	Wyden
Hayes (LA)	Pashayan	Wylie
Hefner	Payne (VA)	Yatron
Hertel	Pelosi	Young (AK)

NAYS—157

Alexander	Collins	Dymally
Applegate	Combest	Early
Armey	Costello	English
Baker	Courter	Fawell
Bates	Cox	Fields
Beilenson	Craig	Frank
Bentley	Crane	Garcia
Bereuter	Dannemeyer	Goss
Bilirakis	DeFazio	Hall (TX)
Brown (CO)	DeLay	Hamilton
Bunning	Dellums	Hancock
Burton	Derrick	Hansen
Campbell (CO)	Dorgan (ND)	Hayes (IL)
Cardin	Dornan (CA)	Hefley
Carper	Douglas	Henry
Carr	Dreier	Herger
Clay	Duncan	Hoagland
Coleman (TX)	Dwyer	Holloway

Hopkins	Nagle	Shaw
Hughes	Neal (MA)	Shays
Jacobs	Nelson	Shumway
Johnson (SD)	Nielson	Sikorski
Jones (GA)	Nowak	Skaggs
Jontz	Obey	Slaughter (VA)
Kanjorski	Olin	Smith (IA)
Kasich	Owens (NY)	Smith, Denny
Kastenmeier	Owens (UT)	(OR)
Kennedy	Pallone	Smith, Robert
Kolter	Parris	(NH)
Kyl	Patterson	Spence
LaFalce	Paxon	Spratt
Lagomarsino	Payne (NJ)	Staggers
Lancaster	Pease	Stark
Leath (TX)	Penny	Stearns
Lehman (FL)	Perkins	Stenholm
Levine (CA)	Porter	Studds
Lewis (FL)	Poshard	Synar
Lewis (GA)	Ray	Tallon
Lightfoot	Ritter	Tauzin
Long	Roberts	Thomas (GA)
Lowey (NY)	Robinson	Torricelli
Lukens, Donald	Rogers	Towns
Markey	Roth	Traxler
McCandless	Roukema	Visclosky
McHugh	Sabo	Walgren
Mfume	Sarpalius	Walker
Miller (OH)	Savage	Watkins
Miller (WA)	Saxton	Weiss
Moody	Schaefer	Wheat
Moorhead	Scheuer	Williams
Morrison (CT)	Schroeder	Wilson
Mrazek	Schuette	Yates
Murphy	Sharp	Young (FL)

NOT VOTING—14

Bateman	McCurdy	Roybal
Florio	Michel	Schulze
Horton	Parker	Sensenbrenner
Lewis (CA)	Pepper	Smith (NE)
Marlenee	Roe	

□ 1721

The Clerk announced the following pairs:

On this Vote:

Mr. Parker for, with Mr. Sensenbrenner against.

Mr. Roybal for, with Mr. Marlenee against.

Mrs. Smith of Nebraska for, with Mr. Florio against.

Mr. SKELTON and Mrs. BYRON changed their vote from "nay" to "yea."

Mr. RAY changed his vote from "present" to "nay."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

CONGRESSIONAL LIAISON ON THE CHRISTOPHER COLUMBUS QUINCENTENNIAL

Mr. WRIGHT. Mr. Speaker, at this time I would like to announce that I have requested the following Members to serve as congressional liaison on the Christopher Columbus Quincentennial:

Mr. FOGLIETTA of Pennsylvania, chairman;
Mr. FASCELL of Florida;
Mr. CONTE of Massachusetts;
Mr. GONZALEZ of Texas;
Mr. ANNUNZIO of Illinois;
Mrs. BOGGS of Louisiana;
Mr. FLORIO of New Jersey;
Mr. RUSSO of Illinois;
Mr. VENTO of Minnesota;
Mr. GARCIA of New York;
Mr. MOLINARI of New York;
Mr. LEWIS of Georgia;
Mrs. MORELLA of Maryland; and
Ms. PELOSI of California.

GENERAL LEAVE

Mr. PANETTA. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on House Concurrent Resolution 106, the concurrent resolution just agreed to.

The SPEAKER pro tempore (Mr. LANCASTER). Is there objection to the request of the gentleman from California?

There was no objection.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES

Mr. EDWARDS of Oklahoma. Mr. Speaker, on behalf of the Republican leader and by direction of the Republican conference, I offer a privileged resolution (H. Res. 148) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 148

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Agriculture: Bill Grant of Florida.

Committee on Government Operations: Craig Thomas of Wyoming.

Committee on Interior and Insular Affairs: Craig Thomas of Wyoming; and John J. Duncan, Jr. of Tennessee.

Committee on Small Business: Ron Machtley of Rhode Island.

Committee on Veterans Affairs: Bill Paxon of New York.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 216

Mr. PENNY. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Joint Resolution 216, a joint resolution to designate the month of April 1989, as "Fair Housing Month."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

INTRODUCTION OF LEGISLATION TO EXTEND AGRICULTURE DISASTER ASSISTANCE PROGRAM

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, today, along with several colleagues on the Committee on Agriculture, I am introducing legislation to extend the 1988 Agriculture Disaster Assistance Program to 1989 crops of wheat, feed grains, soy beans, and alfalfa, as well as continuing other provisions of the 1988 law.

Mr. Speaker, a drought of devastating proportions is now occurring in the Central and Southern Plains, with precipitation at the lowest level in over 40 years in some places. In my own State of Kansas, the disastrous impact on our winter wheat crop may see a reduction of 50 percent of that crop, which could cause the loss of nearly $600 million of revenue in my own State alone. These losses caused by dry weather, freeze, and tremendous winds which create serious problems because of dry weather not only affect my part of the country but other parts of the upper Midwest, and even some parts of the Southeast.

Mr. Speaker, I introduced this legislation today in the hopes that the administration will finally see that extending this disaster assistance program is necessary and important for our country's farmers, and it is my intention to hold hearings and move this legislation into law.

LEGISLATIVE PROGRAM

(Mr. GINGRICH asked and was given permission to address the House for 1 minute.)

Mr. GINGRICH. Mr. Speaker, I have asked for this time in order that I may yield to the distinguished gentleman from Washington at some point to find out exactly what the schedule will be next week and in the hopes that our Members might discover exactly what we will be doing next week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am glad to yield to the majority leader to discuss the schedule for next week.

Mr. FOLEY. Mr. Speaker, I thank the distinguished whip for yielding.

I would, of course, as Members know, indicate that this complete the program for this week. The House will not be in session tomorrow.

On Monday, the House will meet at noon. There is no legislative business scheduled.

On Tuesday, May 9, the House will meet at noon and consider two bills under suspension of the rules, as follows:

H.R. 972, to increase the authority of the Attorney General to settle claims for damages resulting from law enforcement activities of the Department of Justice; and

H.R. 1385, to concur in the Senate amendment to the Martin Luther King, Jr. Federal Holiday Commission Extenstion Act.

Recorded votes will be postponed until after debate on these two suspensions.

After these suspensions are debated, we will consider H.R. 7, the Carl D. Perkins Vocational Education Act amendments, under an open rule, with 1 hour of debate. Following that, as I said, we will take any votes ordered on the suspensions debated earlier.

On Wednesday, May 10, the House will meet at 2 p.m. and consider H.R. 2072, the dire emergency supplemental appropriations, fiscal year 1989, subject to a rule.

On Thursday, May 11, the House will meet at 10 a.m., and after it convenes the House will be in recess for the purpose of receiving former Members of Congress. The House will reconvene for legislative business at 11 a.m. and consider House Resolution 87, to impeach Judge Walter L. Nixon of the U.S. District Court for the Southern District of Mississippi, with 1 hour of debate.

We will then bring up the conference report on H.R. 2, the Fair Labor Standards Act amendments.

On Friday, May 12, the House will not be in session. Any further program will be announced later.

Mr. GINGRICH. Mr. Chairman, I wonder if I might ask the majority leader a couple of questions.

First of all, for the benefit of Members, particularly those on the west coast who are concerned about getting out at a reasonable hour on Thursday so they can get to the west coast, is it the gentleman's judgment that the business on Thursday will allow them to leave fairly early? What reasonable guess might we have as to what time we might rise on Thursday of next week?

Mr. FOLEY. Mr. Speaker it is assumed that if the program is completed on Wednesday and if the program that I have announced for Thursday is the only program scheduled for that date, we should be able to adjourn at a relatively early hour. I cannot give the gentleman a precise hour, but I assume it would be in the area of around 4 o'clock.

Mr. GINGRICH. All right. So tentatively Members might look at 3 or 4, although the leader cannot guarantee that?

Mr. FOLEY. The gentleman is correct. I would not want to be held to that time. My assumption is based on the present schedule as announced, but as we usually announce, conference reports may be brought up at any time and any further program may be announced later.

□ 1730

Mr. GINGRICH. Yes, and, if I might pursue in the bipartisan spirit that seemed to work earlier on the budget vote today, I wonder if the gentleman from Washington [Mr. FOLEY] could enlighten us at all on the dire emergency supplemental appropriations from two standpoints.

First, I note that there might be a new rule requested rather than bringing up the earlier document with the Conte amendment in order, and then, second, we on our side, of course, are very eager to see a dire emergency supplemental come to the floor that would not be subject to a veto and that would, in fact, allow us to help the veterans and to provide some additional amount of money for the war on drugs without having to risk a Presidential voto, and I wonder if the gentleman might comment on that situation.

Mr. FOLEY. Mr. Speaker, I cannot advise the gentleman from Georgia [Mr. GINGRICH] at this time of the precise character of the bill. Action has not been made final yet by the Committee on Appropriations. We are scheduling it at this time because there are in this bill, dire emergency appropriations, and, because of the constitutional requirement that the House act first, it is very important that we complete action by next week so that the matter can be considered by the other body. The Committee on Appropriations will be completing action on it very soon, and of course, the members of that committee and the leadership on both sides will know at that time, the committee's intentions. I cannot also know at this time because the committee has not finished its work that describes the rule, but, as the gentleman from Georgia [Mr. GINGRICH] correctly notes, the probability is it will come up under a new rule.

Mr. GINGRICH. I just want to comment in closing on my side that we do seem—on Contra aid, and today on the budget and a number of places where we work in a bipartisan manner—to have had some notable successes in that the dire emergency appropriation is a bill which I think, if it is properly written in a bipartisan way, not only will speed through the House, but the other body, and then it will be signed with remarkable speed, and so I would hope that together we could encourage the Committee on Appropriations to try to develop a truly limited dire emergency bill and to produce it in a bipartisan way which both leaderships could support enthusiastically.

Mr. FOLEY. Mr. Speaker, I think the comments of the gentleman from Georgia [Mr. GINGRICH] are well taken. We certainly hope that, when the bill comes from the House on the next occasion, it will have strong bipartisan support.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Washington [Mr. FOLEY] and I yield back the balance of my time.

ADJOURNMENT TO MONDAY, MAY 8, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore (Mr. LANCASTER). Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON THURSDAY, MAY 11, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, May 10, 1989, it adjourn to meet at 10 a.m. on Thursday, May 11, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORITY FOR THE SPEAKER TO DECLARE RECESSES ON THURSDAY, MAY 11, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare recesses, subject to the call of the Chair, on Thursday, May 11, 1989, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

MEDICARE CATASTROPHIC EQUITY ACT OF 1989

(Mr. JOHNSTON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON of Florida. Mr. Speaker, yesterday, I introduced the Medicare Catastrophic Equity Act of 1989. I have received approximately 300 letters a week on the Catastrophic Act of 1988, and virtually all of them are critical of the funding mechanism that is now law. I propose that we step back and look again at how we should fund this important coverage, particularly in light of Senator BENTSEN's finding that the revenues generated from the act are far in excess of what is necessary.

The truth is, senior citizens knew exactly what the Catastrophic Act was about all along. The sad reality is that we are about to take dollars from their pockets to mask the Federal budget deficit. It was not fair before. It is even worse now.

My bill will delay the expanded benefit coverage under Medicare part B and the supplemental premium for 1 year. It will also mandate the GAO to evaluate the cost and seek alternative ways to fund the bill that would be fair and equitable. As it stands today, the Catastrophic Act does not meet that test. I urge your support.

COMMEMORATING TAX FREEDOM DAY

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DREIER of California. Mr. Speaker, the Tax Foundation has proclaimed today "Tax Freedom Day" as a means to draw attention to the enormous and growing tax burden that the average American worker faces each year. Tax Freedom Day is the day that the average American worker fulfills his/her Federal, State, and local obligation to the tax man if every dollar earned since January 1 is withheld by the Government.

Joining the Tax Foundation in observing this symbolic, but significant day, is the board of supervisors of the county of Los Angeles, which approved the following resolution declaring May 4, 1989, as "Tax Freedom Day" throughout Los Angeles County. As the board of supervisors correctly points out, out tax dollars serve a public benefit, such as national defense, education, and infrastructure.

It is not this type of spending which makes Tax Freedom Day important, but the fact that it occurs later and later without significant improvement in these important programs. The American taxpayers are not getting their money's worth. For example, the Heritage Foundation submitted a relatively modest proposal to save $128 billion in the fiscal year 1990 budget through reforms to entitlement and credit programs, privatization, and the elimination of obsolete and wasteful subsidy programs. Since Congress is unwilling to prioritize and make hard choices, Tax Freedom Day is increasingly becoming a day of mourning, not celebration.

Mr. Speaker, I would like to submit for the RECORD the proclamation observing May 4, 1989, as "Tax Freedom Day."

BOARD OF SUPERVISORS,
COUNTY OF LOS ANGELES,
Los Angeles, CA, April 20, 1989.

Hon. DAVID DREIER,
California Congressional Delegation, House Office Building, Washington, DC.

DEAR CONGRESSMAN DREIER: At its meeting held April 18, 1989, at the suggestion of Supervisor Michael D. Antonovich, the Los Angeles County Board of Supervisors declared May 4, 1989, as "Tax Freedom Day," throughout Los Angeles County.

Enclosed is a copy of the Minute Order detailing this action.

Very truly yours,

LARRY J. MONTEILH,
Executive Officer.

MINUTES OF THE BOARD OF SUPERVISORS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

At its meeting held April 18, 1989, the Board took the following action:

The following statement was entered into the record for Supervisor Antonovich:

"The Tax Foundation in Washington, DC, has announced that Tax Freedom Day will be observed throughout the Nation on May 4, 1989.

"Tax Freedom Day is that day when the average American begins working for one's self. In other words, if working Americans paid all their Federal, State and local taxes each year before they receive their take-home pay, they would go without a paycheck this year until May 4, 1989.

"According to the Tax Foundation, the 'good news' is the fact that Tax Freedom Day a year ago fell on the year's 124th day, although that was May 3, 1988, or a day earlier, because of the extra day included in Leap Year.

"But the Tax Foundation says the 'bad news' is that Americans are losing some of the ground they gained during the middle years of this decade. Tax Freedom Day occurred on April 30 and April 28 respectively in 1983 and 1984. It slipped back to May 1 in 1985 and 1986 and has been holding its own at May 3 or May 4 since then.

"According to the Foundation, the average American worker is spending the first two hours and 43 minutes of each eight-hour working day to pay his or her tax bill, a one-minute increase over the adjusted figures from a year ago.

"This compares to the one hour and 25 minutes of labor the taxpayer puts in on the job to pay for housing and household operations, the 40 minutes it takes to earn enough to pay for transportation or the 39 minutes of work needed to finance medical costs.

"The Federal tax take is expected to reach $1.03 trillion, up from the $962.5 billion collected a year ago. State and local jurisdictions will rake in $543.9 billion this year, an increase of nearly $32 billion over last year's take of $512 billion.

"The breakdown of how the American worker distributes his hard-earned wages:

"2 hours, 43 minutes: Taxes.

"1 hour, 25 minutes: Housing and Household Operations.

"59 minutes: Food and Tobacco.

"40 minutes: Transportation.

"39 minutes: Medical Care.

"24 minutes: Clothing.

"20 minutes: Recreation.

"50 minutes: All other (Includes personal care, personal business, private education and research, religious and welfare activities, foreign travel and savings)."

Supervisor Edelman made the following statement:

"The Tax Foundation of Washington, D.C. is once again publicizing Tax Freedom Day by emphasizing that all of a taxpayer's 1989 income up to May 4 of this year will go to pay taxes. This type of publicity serves to reinforce the image that taxes are a burden without pointing out the benefits that our taxes fund. These benefits include a strong national defense, public colleges and universities, police and fire protection, roads, parks and libraries."

After discussion, at the suggestion of Supervisor Antonovich and on motion of Supervisor Edelman, seconded by Supervisor Hahn, unanimously carried (Supervisor Antonovich being absent), the Board declared May 4, 1989, as "Tax Freedom Day," throughout Los Angeles County, while recognizing the important benefits we all receive from public services at all levels of government.

Further, the Executive Officer of the Board was instructed to communicate the Board's action to the Tax Foundation and to each member of the California Congressional Delegation.

SOYBEAN PROMOTION BILL

(Mr. DYSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. DYSON. Mr. Speaker, yesterday Representative DAN GLICKMAN, chairman of the House Agriculture Subcommittee on Wheat, Soybeans, and Feed Grains, and Representative RON MARLENEE, the ranking minority member, introduced legislation to create a nationwide soybean research and promotion program. As an original cosponsor of this bill, I would like to commend my colleagues for their efforts in putting together this important legislation.

Over the past decade, there have been great changes in world agriculture. Many nations and regions which were once net agricultural importers now export their products and the guaranteed American agricultural export market no longer exists. Nowhere is this more evident than in the export of U.S. soybeans.

Since 1982, the strong world demand for soybeans has encouraged many nations to increase production of this commodity. In 1988, foreign soybean acreage reached an all-time high of 42 million acres, a 56-percent increase over 1982. This has caused the U.S. share of the world soybean market to decline from 66 percent to barely over 50 percent at a loss of nearly $1.9 billion in U.S. farmer income. Mr. Speaker, I am committed to turning this situation around and the passage of this bill is a step in the right direction.

As my colleagues review this legislation, I would like to point out one of its most important features. It requires no Federal allocation. This program will be entirely financed by our soybean farmers through a self-imposed producer assessment on soybean sales. In the past, Congress has approved similar programs for cattlemen, dairymen, and hog producers. The proceeds from this program will enable soybean producers to coordinate a nationwide program of soybean promotion, research, and consumer information. I am confident this measure will go a long way to developing new soybean products and increasing U.S. soybean sales overseas.

Mr. Speaker, as a member of the House Agriculture Committee and as the representative of nearly 4,000 soybean farmers in the First District of Maryland, I strongly endorse this bill and urge my colleagues' support. Thank you.

SYRIA NEEDS TO BE TOLD TO STOP THE GENOCIDE OF THE LEBANESE

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, I think that recognition needs to be paid once and for all to the tragedy that is going on in Lebanon. For the last years, approximately 13 of them, the Government of Syria has made a concerted effort to drive that country to its knees, drive out the good people or kill them and take it over themselves. If my colleagues will look at a map in Syria of Lebanon, there is no border between Syria and Lebanon, and it is marked as Greater Syria. Thousands upon thousands of people have died in that country, and ultimately the responsibility is the Syrians who have led the fight in shelling and killing Lebanese, and no one has called them to account, not the United Nation, not their neighbors in the region, not anybody.

Mr. Speaker, our colleagues have seen in the last few weeks a number of ads in Roll Call from people of Lebanese extraction in this country who are crying out for some help for their country as they watch it slowly dying. We need to help those people, and Syria needs to be content and asked to stop—not asked, but told to stop this genocide of Lebanese.

Mr. DREIER of California. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman from California.

Mr. DREIER of California. Mr. Speaker, I thank the gentleman from Florida [Mr. SMITH] for yielding.

I would just like to congratulate the gentleman from Florida [Mr. SMITH] for focusing attention on this critically important issue. I had the opportunity to meet in California with a number of people who have witnessed the horrible virtual genocide which is taking place in Beirut at the hands of the Syrians, and I think it is something that we need to talk about more frequently here in the House of Representatives, and I would like to associate myself with the gentleman's remarks.

□ 1740

Mr. Speaker, I thank the gentleman for his remarks.

I think it is important to understand this is not the Lebanese doing it to themselves. This is something orchestrated, masterminded, and conceived by the Syrians to eradicate a whole country and a whole population so that they can take it over themselves. The world must condemn them and they have not done it yet.

LOTTERY WINNER GRANTED POLITICAL ASYLUM

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, only in America, while the administration continues to forcibly deport thousands of Salvadoran refugees back to their war-torn homeland—and while they jail thousands of Central Americans in detention camps across this country, the INS District Director in Florida has granted political asylum to a Nicaraguan man and his family, after the man won $5.3 million in the Florida State lottery. The INS official apparently joked "the winner was too much of a capitalist to return to his Marxist homeland."

Mr. Speaker, I do not know all the details of this particular case. There may well be a good reason for his request. However, it's important to note that the State Department did not support this asylum application. But, it appears on the surface that, once again, the INS is demonstrating its compassion by playing games with our refugee laws, while ignoring the plight of the poor and oppressed.

Mr. Speaker, Senator CLAUDE PEPPER and I have authored legislation in the House to temporarily suspend the detention and deportation of all Salvadoran and Nicaraguan "war refugees" in the United States—and not just those who win lotteries.

War and oppression are reasons we should help refugees—not dollars and cents.

Mr. Speaker, I include the following article from the Washington Post of May 4, 1989:

LOTTERY WINNER GRANTED POLITICAL ASYLUM

MIAMI.—Justo Ricardo Somarriba, a Nicaraguan immigrant who won $5.3 million in the Florida lottery, was granted political asylum by an official who joked that the winner was too much of a capitalist to return to his Marxist homeland.

A $3.50-an-hour hardware-store clerk who entered the country illegally in 1987. Somarriba picked all six numbers in the Lotto drawing Saturday and split the pot with another ticketholder.

After he appeared at the state capitol Monday to receive his first 20 annual checks for more than $240,000, Immigration and Naturalization Service officials revealed that the State Department had not supported his asylum request.

INS district director Perry Rivkind reviewed the case after publicity about it and decided that Somarriba, his wife and three children, ages 3 to 9, deserved legal residency.

THE TRAGEDY OF AN ELECTION TO BE STOLEN IN PANAMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER of California. Mr. Speaker, I take the well as we prepare to adjourn for the week to talk briefly about a real tragedy which is going to be taking place this Sunday. I am referring, of course, to the election which is going to be stolen in Panama by one of the worst dictators in this hemisphere, Manuel Noriega.

Mr. Speaker, I had the privilege of being elected to this body in 1980. I came in that very famous election when Ronald Reagan swept in. A number of us defeated some of our distinguished colleagues from the other side of the aisle. When this happened, I looked at the lack of freedom that existed around the world. When I juxtaposed where we were in 1980 with where we are today, it is literally the difference between night and day. No doubt about the fact that we face very serious problems in Nicaragua, Namibia, Afghanistan, Cambodia, and other parts of the world, but I think that as we look toward this election, this election which is scheduled to be stolen this Sunday, we should look at the successes which we have had in this decade. It has been literally years, in some cases decades since the countries which I am going to list here had free and fair elections, specifically at the Presidential level.

When you look at the success rate, it has been tremendous. In fact, this afternoon I wrote down the list of those countries and I would like to share them with our colleagues. I am pointing to these because, as I said, it is a sad commentary on what we are going to witness this Sunday in Panama.

We saw last month, and I was privileged to be an observer of that election—now we are in May, excuse me, actually March 19, we saw the first orderly transition of one democratically elected government to another in El Salvador.

I remember very well in my first term the kinds of things that were being said about El Salvador in this House and while the FMLN still poses a very serious threat to the stability of El Salvador, and the election itself has not automatically brought about what the people want, peace, stability and economic reform, the election itself has taken a bold step in that direction.

We also saw in this decade for the first time in years elections held in Honduras, Guatemala, Granada, Uruguay, Bolivia, the Philippines, South Korea, Argentina, Brazil, Pakistan, and based on a plebiscite which was held last year we are going to see an election taking place in Chile.

Just this week we witnessed the election of Mr. Rodriguez in Paraguay, and we are all holding out that little bit of hope that on February 25 of next year we will see a free and fair election, and boy, do I hope I can be part of the United States observer team going down to Managua to see if this bipartisan package that we brought about can take another bold step toward a free and fair election in that country. If that happens, it will be the first time that a totalitarian Communist regime has ever negotiated itself to a democratic form of government.

Tragically amid the spread of democracy which we are seeing in other parts of the world, of course, in Southeast Asia, Cambodia and Vietnam moving in that direction, the marches which have taken place in Shanghai and Beijing in China are very good and positive signals toward that; but unfortunately, just to our south, we this Sunday will, according to every report that I have seen and everything that I have looked into will see the election in Panama stolen from the people by Manuel Noriega.

Mr. Speaker, I simply wanted our colleagues to know what will most likely take place and I hope that the American people are not shocked when the outcome of the election brings about on Sunday overwhelming support for the Noriega-backed candidates.

□ 1750

TIME TO PUT SOUND BUDGETING PRINCIPLES ABOVE POLITICAL MANEUVERING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana [Ms. LONG] is recognized for 5 minutes.

Ms. LONG. Mr. Speaker, I won't take the entire 5 minutes of time, but I did want to address the House on the subject of the budget resolution we just considered.

I did not support the budget resolution because it will not move us in the direction our economy demands.

I have two major concerns. First, the resolution calls for $14.2 billion in increased revenues. Second, as a college professor of business administration, I would not accept from a student work with the kinds of assumptions that the OMB [Office of Management and Budget] has used. Even the CBO [Congressional Budget Office] estimates that the budget resolution falls at least $20 billion short of honestly reaching the Gramm-Rudman-Hollings target.

The immediate causes of the shortfall are unrealistic economic assumptions, and creative accounting. But ultimately, the shortfall is the result of a decision to place more emphasis on bipartisan cooperation than on honestly facing our obligation to responsible budgeting.

I understand why such a decision was made. Furthermore, I recognize that our leaders did a god job under the circumstances. But it is time to put sound budgeting principles above political maneuvering.

I hope we can do better in the future.

EQUITY IN INTERSTATE COMPETITION ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, America's main street retail merchants are unfairly being forced to compete against out-of-State mail order giants with one arm tied behind their backs. While local merchants must collect and remit State and local sales taxes, a loophole in the law allows nonresident retailers to avoid that responsibility. This penalizes the honest local merchant. Today I am introducing the "Equity in Interstate Competition Act of 1989," legislation that will straighten out this perverse situation by closing the interstate tax loophole.

Currently, all States that levy a sales tax require merchants in that State to collect the tax and remit it to the State or local government. In addition, an equivalent tax, generally called a "use" tax, is levied on goods sold and delivered to State residents by out-of-State retailers such as mail order firms. Multistate firms such as Sears and Penney's routinely collect and remit such sales taxes for all States on their mail order sales.

However, a 1967 Supreme Court decision prevents States from requiring out-of-State firms to collect the tax if the firm maintains no retail outlet in the State. As a result of this loophole in the law, the out-of-State tax goes uncollected.

Honest local retailers start out at a competitive disadvantage of as much as 8 percent against out-of-State dealers from Maine to California, and State and local governments suffer a revenue loss that is estimated at $2.9 billion annually. That revenue has to be made up by imposing other, higher, taxes on local citizens.

The legislation that I am proposing today to close this loophole would not impose any new tax, and it would not increase any taxes. Rather, it would enable the collection of the existing tax. States could require the collection of taxes on interstate sales if the retailer engages in "regular or systematic soliciting of sales" in that State.

The bill would apply only to the largest interstate retailers—those with gross sales of over $12.5 million annually or $500,000 in a particular State. It is carefully drafted to ensure that no undue burden will be placed on the retailer or on the customer. Rather, its purpose is to allow the States to make those firms do what they should be doing: Paying the taxes they owe.

Nobody likes to pay taxes, and it is predictable that the mail order lobby would be unhappy about the possibility of giving up this unfair competitive edge. But, when a tax exists, it should be applied equitably—in this case, both on in-State and out-of-State sales.

Closing the interstate tax loophole will provide an even break for the local merchants across the Nation who provide jobs and services to our local residents and who pay the taxes that support our hometown schools, police Departments, and other services. In addition, it will facilitate the collection of badly needed revenue by the State and local governments that provide those services, at a time when Federal aid to those governments has been cut severely. Ending this inequity will correct a real abuse in our State and local tax system.

SEEKING COSPONSORS FOR H.R. 2096, TO CREATE OFFICE OF MINORITY VETERANS' AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. RANGEL] is recognized for 5 minutes.

Mr. RANGEL. Mr. Speaker, I rise to seek cosponsors for legislation that I introduced on April 24, 1989, to create within the Department of Veterans Affairs [DVA] an Office of Minority Veterans' Affairs. This office will be headed by the Assistant Secretary, who will be assigned to handle equal opportunity responsibilities for the Department. The bill is H.R. 2096. I must stress that this legislation will not increase the number of Assistant Secretaries within the Department. What it will do is to increase the number of functional duties that the DVA must perform. In the Department of Veterans' Affairs Act, Congress mandated the DVA to perform 10 functional duties to be assigned among the 6 Assistant Secretaries. I propose to increase the number of functional duties from 10 to 11 to be managed by the 6 Assistant Secretaries.

Mr. Speaker, the purpose of this bill is to address the concerns and to integrate the minority veteran into the Department's policymaking process. Over the years, the Congress and the DVA have recognized that the minority veteran has unique needs. In the past Congress has created advisory boards to review those groups specific needs. The recommendations made by these boards have not always received serious review, and often were ignored by the DVA. One reason for this is that these boards lacked any formal decisionmaking powers. So, it is not surprising that the needs of the minority veteran are often overlooked. This also means that the DVA lacks an overall strategy to improve services and benefits to the minority veteran.

If I may, let me touch briefly on some of the problems faced by the minority groups covered in this legislation.

Mr. Speaker, black veterans and their families make up one-third of the black population in this country. The black veteran represents 8 percent of the total veteran population. Over the past decade the number of individuals enlisting into military service have decreased. However, the number of blacks entering the armed services have increased. Today blacks are overrepresented in the armed services. Blacks make up about 12 percent of the general population, but comprise 21 percent of the enlisted ranks and 6.6 percent of officers. So, while the general veteran population is projected to decline by the turn of the century, it should be clear that the black veteran population will increase.

Blacks have always served this country with honor, valor, and distinction. However, upon discharge, blacks have not always received benefits given to other veterans. This is reflected in the high unemployment rate of blacks who served in the Vietnam theater. Blacks who served in the Vietnam theater suffer a higher joblessness rate than other Vietnam theater veterans. Overall, blacks suffer an unemployment rate 2½ to 3 times higher than other Vietnam theater veterans.

The number of homeless continue to increase, it is estimated that 50 percent of them are veterans. It is also estimated that at least 40 to 60 percent of the homeless veterans are black. Compared to other veteran groups, blacks suffer from an inordinately higher rate of homelessness which correlates to the high unemployment rate.

The women of this country have always played a key role in the defense of this country, but not until World War II were they a formal part of the armed services. Although, the female component was phased out, after the war, women have remained a vital part of this country's defense. The role of the female soldier continued through the Korean and Vietnam war. By the end of the Vietnam war women comprised 10 percent of this country's military.

Today, there are 220,000 women on active duty in the Armed Forces. In the coming years the number of individuals serving on active duty will decrease, but like blacks the number of women serving in the Armed Forces will sharply increase. Women currently represent the fastest growing segment of the veteran population. Presently women comprise 4.3 percent or 1.2 million of the total veteran population.

The DVA has responded aggressively in many instances to women's needs in the past few years, but much remains to be done. In a 1988 report of the Veterans' Administration Advisory Committee on Women Veterans, it stated:

> That there is an ongoing concern that women are still less aware than male veterans of their benefits, and when they are aware, they are less likely to claim them.

Women veterans face a continuing problem with the inability of public employment offices to place women veterans in jobs at a wage level commensurate with their military experience.

The Hispanic veteran has been involved in the defense of this country from our first conflict, the American Revolution to the present. In this country's last conflict blacks and Hispanics suffered an overrepresented number of wartime casualties. The valor of the Hispanic veteran is reflected in the fact that the Hispanics claim more Congressional Medal of Honor winners per capita.

It is not possible to determine with any degree of certainty to what extent the Hispanic veteran participates in DVA programs. The American G.I. Forum believes that Hispanic veterans do not fully utilize the benefits to which they are entitled.

The American G.I. Forum cited the curtailment of the transportation allowance as having a disparate effect on lower income groups, particularly the Hispanic community in rural areas, where many veterans reside. The high unemployment rate faced by the Hispanic veteran is due partly to the lack of State veterans employment representatives with sensitivity toward the Hispanic culture and the lack of Spanish-speaking skills. With these shortcomings it is easy to see why the needs of the Hispanic veteran are not met.

Mr. Speaker, in this country native Americans generally live shorter and poorer lives than other groups. Congress has created an Advisory Committee on Native American Veterans. This committee reported that native American veterans significantly underutilize DVA benefits and health care services. Unfortunately the committee had to base this contention in part on anecodotal data because there is little statistical data on the native American veteran. What little data does exist clearly shows that the native American significantly underutilized health care services. The native American comprises about 0.6 percent or 160,000 of the total veteran population. In fiscal 1985 data indicated that only 0.4 percent of the DVA's hospital discharges and 0.3 percent of hospitalized patients were native American. Today 40 to 50 percent of all native Americans reside on reservations, this means that 3.9 percent of these veterans live more than 100 miles from any DVA medical center.

Asian and Pacific Islander veterans number over 212,000. Many of these veterans compiled distinguished war records. In World War II the nearly all Japanese-American "Go for Broke" division suffered among the highest number of casualties, and was awarded an extraordinary number of decorations for valor.

However, Asian and Pacific Islander veterans, like other minorities, do not fully utilize or seek care and benefits offered by Federal agencies such as the DVA. These veterans tend to present themselves for treatment at lower rates than other veterans. This is not because these veterans have adjusted better or are healthier, but, because of cultural difference, they do not seek care or services outside of the traditional extended family or tribal community. Congress held hearings in Honolulu 2 years ago, at that time it became apparent the true extent of the DVA neglect of our 50th State and the Asian and Pacific veteran population.

Mr. Speaker, I am sure that this legislation will be misunderstood by some. Many of these individuals are well-meaning, but without the benefits of information, will argue that the DVA serves our veterans without regard to color, heritage, or gender—so that an office at this level is not necessary.

It is not the intention of this legislation to advocate special treatment for one veteran group over another, but to insure that the cultural differences that exist among our veterans are considered when administering veterans benefits. Again, Congress has recognized the uniqueness of certain veteran groups needs by establishing advisory groups for native Americans, women, and Vietnam, era veterans. It is necessary that the concerns of the minority veteran are addressed at the highest level in the DVA.

Let me quote my friend and colleague Senator SPARK MATSUNAGA from Hawaii, who has introduced a companion bill, "same care is not the same as equal care." This piece of legislation will insure that the DVA will take into account the unique needs of the minority veteran. So that we can say that all of our veterans receive quality and equal care. Let me remind you of the words on the DVA building "* * * to care for him who has Borne the Battle and his Widows and Orphans," our commitment to the veteran must endure.

I ask you, my colleagues, to join with me to ensure that this Nation offers equal treatment to all veterans. I ask for your support in the passages of this legislation.

COMMUNITY REMEMBERS SAVINGS AND LOAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, as Congress continues its action on H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, it is important for my colleagues to remember the importance of the savings and loan in the American community, and to once again think back to why they are being saved; because they provide home mortgages to people in communities who otherwise have difficulty financing their homes.

Recently, a savings and loan in Chicago celebrated its 25th anniversary, and its story reminded me of this purpose. Twenty-five years ago the old First Security Federal Savings & Loan in the Ukrainian Village was insolvent and on the verge of closing, when a Chicago attorney found out about its troubles from a client who complained about not being able to withdraw his money. When questioned, Illinois State regulators told this attorney, William Kulas, that half of First Securities assets equaling $360,000 were missing, and it faced liquidation unless a buyer was found. Kulas knew there would be community interest in buying the interests, due to the fact the residents were having difficulty obtaining mortgages from anyone other than the credit union. In other words, the community was redlined and nobody except the credit union would lend there.

As the word spread, members of the Ukrainian community flocked into First Security with bundles of money to invest. Soon the institution had over $300,000 in new investments and the savings and loan was reopened by the new group. Two years later, the board of directors gave First Security an interest-free, 3-year loan of $70,000 to replace its old frame building.

During its first 7 years, First Security, which became a bank in 1985, operated without Federal deposit insurance. When it applied, its reserves were too small to meet Federal standards, so 12 board members allowed $76,000 of their personal deposits be frozen as a pledge against losses.

Stories like First Security are exceptional reminders of the desire of the American community to keep their home lending industry alive. Twenty-five years ago, this community was aware of the need for the savings and loan, and found their own way to ensure its existence. Today, we, as Members of Congress, are asked to do the same; find a way to keep the housing industry alive as a way for American families to purchase their homes.

THE VERDICT IN THE OLIVER NORTH TRIAL

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, I had the opportunity to go down to the Federal courthouse here in Washington, DC, today and hear the Ollie North verdicts rendered. Several Congressman, like the gentleman from Illinois [Mr. HYDE], our good colleague, were in the courtroom, and it was fascinating.

Mr. Speaker, I think in the rush to analyze this, the media is concentrating on the two guilty counts and the half of a guilty on count 6, and they are not putting enough emphasis on where the jury rendered not guilty verdicts.

Let me just go down what I picked up in the pressroom over there at the Federal courthouse, and then look at this jury, all good people.

Mr. Speaker, they obviously worked very hard on this. I was really impressed when Judge Gesell sent word to them yesterday to work harder and demanded that they take half hour lunch breaks. That to me seemed an unusual order, since they were working 6, 7, and 10 hours trying to analyze each one of the 12 counts. I thought that denying them an extra half hour of lunch was a bit draconian.

A word about the jurors first and then the verdict. These people are supposed to be peers of Lt. Col. Oliver Lawrence North. There is one young lady there 20 years of age, a clerk-typist, Lisa Brooks. That would hardly be a peer of a field-grade officer in his forties. There are eight people in their thirties. There is no one in their forties, no one is the age bracket of Colonel North himself. There is one person 53, and now they are getting up to my vintage, and two people in their sixties. All of the jurors were black, which does not mean a single thing if they were all black corporals and noncommissioned officers and officers from the Army, Navy, Air Force, Marine Corps who had seen service in peacetime or in wartime, which would have been preferable, to some that had combat time, because they certainly could be called peers of Oliver North. The fact that nine are females and only three are of Colonel North's gender, that would not mean anything if the nine women had served some time in the military or other pressure-type job where the chain of command is as sacrosanct as it is in the military, at the State Department or in the CIA, where when a three-star general talks, a lieutenant colonel jumps through hoops, just as when a master sergeant talks, a corporal jumps, or when a staff sergeant talks, a buck private jumps through hoops. But they are good people, and they worked very hard.

I think if this whole Congress had sat down as we were supposed to construct ourselves into a jury and judge a Federal judge who has allegedly gone astray, and we were supposed to do it last week, then this week, and it is put off until next week, and it is on sort of a sliding calendar, but if we were to gather ourselves as we do very rarely into a jury of 435 people here, I think the one count that we would have dismissed first against Oliver North would have been the $13,000 security system around his house.

I have just been in touch with the Architect's office, and this is only partially the figure. We have spent for security around this Capitol Hill, and it is not $13,000, and it is in 1 year, 1985, $13 million. We have virtually tank traps, redundancy tank traps, four of them at either end of our entrances at the east front of this building. We have a police car with the engine running that is ordered to ram any vehicle that tries to come through these huge concrete flowerpots at all entrances to what used to be a wide-open Capitol Hill when I got here 12 years ago. These police cars have their engines running 24 hours a day, and one can tell sometimes, because they have their hoods open so that the engines do not overheat, and when that car is taken off the line, another one with its engine running is put right in its place, and it sits there 24 hours a day. Guess when all of this security was heightened around this building. One morning I came to work some years ago, and there were garbage trucks blocking every entrance, and we have permanently blocked off the majority of the winding beautiful grass streets and roads that come up from the west front of this building and at each side. We only have these two entrances now. Guess when that security was implemented. The same month that the death threats were put on Colonel North's family by Abu Nidal.

Mr. Speaker, I do not know about the Members, but I got goose pimples watching Ollie North testify in that Russell Building across the road here when he said, "I will meet Abu Nidal anywhere, anytime, anyplace, anywhere in this world," and not a person in America doubted that young colonel's word when he said that.

Mr. Speaker, it was his family that he was worried about, Betsy and his three children.

He said to the world on live television:

> It is the biggest mistake I made in my career in accepting that security device, but three times in writing I asked for my country to protect my family, and they would not do it.

Does anyone know how much the protection cost at the White House? It is classfied.

Does anyone know what the total figure is here? Probably $50 million.

Mr. Speaker, I will be back next week to finish this story.

THE TRIAL OF OLIVER NORTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 10 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I wanted to make a brief comment on the remarks of the gentleman from California.

After the Ollie North Iran-Contra hearings began and after they concluded, we found that, and I cannot remember the exact timeframe, that there were six or eight people who were arrested who came in from the Middle East whose goal was to assassinate Ollie North in Alexandia, VA, where I live. They were arrested, and were being held in the jail out there. I do not know what the disposition of those individuals was or how it ended up, but I do know that their goal, their mission, was to assassinate Ollie North, and I presume endanger his family.

Mr. Speaker, that security fence that was put around his family, around his home, was designed to protect his family from just that kind of tragedy taking place, that being that assassins would come in and try to kill him, and in the process try to kill his family.

Ollie North, as I understand it, was a man who did not have the money to be able to put up that kind of security fence. All I want to say to my colleagues is that if I did not have the money to protect my family and if I knew that there were assassins out there trying to kill my family, I think I would go to almost any length to protect them, and I think it ill behooves any one of us to point the finger at Ollie North and say, "Hey, you were wrong to take that security fence and to defend your family and protect their lives," when in fact we do know that Abu Nidal and those terrorists were, indeed, trying to kill his family and him.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, the gentleman did save me coming back next week if I could do this, because I do not know if the gentleman has seen the not guilty charges, because, as I said, the media tends, some people in the media, some will try to make the most out of the two charges, 9 and 10. No. 10 is the security device around his house.

The $13 million spent for us just in the 1985 budget, and $13,000 for Ollie. What is that? That is one one-thousandth of what we spend in just one appropriation to defend ourselves here, and I think when I get the final total, which is unclassified for us, it will be closer to $50 million.

Just let me quickly read to the Members what he is not guilty of: Count 1, obstruction of Congress in responses, not guilty; No. 2, false statements to the House Intelligence Committee, not guilty; count 3, false statements to the House Foreign Affairs Committee on Latin America, and that is the gentleman's major committee, not guilty; count 4, false statements to the House Intelligence Committee in a letter, not guilty; count 5, obstruction of Congress in August 1986, not guilty; count 6, obstruction of Congress in November 1986, not guilty, but they split that one, and on aiding and abetting by changing the chronology of a document under Admiral Poindexter's orders, they found him guilty on half of 6.

Mr. McEWEN. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Ohio.

Mr. McEWEN. Mr. Speaker, I will point out to the gentleman that there is nothing in there to which he did not confess. He stated it publicly.

Mr. DORNAN of California. On national television.

Mr. McEWEN. He stated publicly that he took the fence; he stated publicly that he shredded the documents, and now we have spent $22 million on this witch hunt, of which they did not convict him on a single count except what he stated publicly he had done.

Mr. DORNAN of California. I will go through these quickly, because the gentleman wants his time, and he is entitled to it.

Count 7, obstruction of Presidential inquiry in November 1986 by lying to then Attorney General Meese; not guilty.

□ 1800

Count 8, false statements on November 23, 1986, in a face-to-face meeting with Meese, not guilty.

Count 9, altering, destroying, concealing, and removing documents in November 1986, which he admitted before the whole world, and even with a little wry smile on his face said, "Did I get them all?" It was a covert operation and people were dying and they still are, and that is why the gentleman from Indiana [Mr. BURTON] and the gentleman from Ohio [Mr. McEWEN] and I have been down there umpteen times, I have lost count, because people are dying, and it was a covert operation.

Count 11, conversion of travelers checks earmarked for Contra funds for personal use; not guilty.

Count 12, conspiracy to defraud the United States and the Internal Revenue Service by illegal use of a tax-exempt organization to solicit and raise funds for Contra weapons; not guilty.

I think he started out with 16 counts, and 4 serious conspiracy counts were thrown out by the court. Now we have had 9 more thrown out, and a half of another one. I think in the appeal process Brandon Sullivan will do right by this fine Marine officer, and we will see this whole thing disappear.

I thank the gentleman for the time.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from California for his contribution to my special order.

I just wanted to end up by saying that it ought to be made very clear to our colleagues that there were assassins here to hit Ollie North. They were arrested in Alexandria, VA. The threat was real, and I think any prudent person would have tried to take every precaution to protect himself and his family if he knew that was the case.

REPORT ON THE AIDS EPIDEMIC

Mr. BURTON of Indiana. Mr. Speaker, I wanted to make a brief report to the American people on the AIDS epidemic before we adjourn. It is exremely important that people know this epidemic is getting worse instead of better, it is not going away, and the statistical information we are getting from the Centers for Disease Control in Atlanta is very gloomy indeed.

In 1983 we had 4,200 active cases of AIDS, people who had it and people who died. In 1984 it doubled to 9,900 cases of people who had AIDS and died. In 1985 that went up double again to 20,000. In 1986 it went up to 35,000, not quite double. But in 1987 it went up to 48,139, which was 2½ times what it was 2 years before. In 1988 it went up to 80,538, which was 2½ times what it was 2 years before that.

In 1989 so far we have had 10,452 new cases in the first 3 months alone, which means if that percentage continues through the end of the year we will have seen more than a doubling of the people dead or dying of AIDS since 1987, which was 2 years ago.

The point I am trying to make is we are seeing an average increase in people dead or dying of AIDS of 50 percent a year. If we put a pencil to that and extrapolate that out for the next 10 years, we are going to have literally millions of people in this country dead or dying of AIDS virus, and no one has yet indicated to me that that trend is not going to continue.

The fact of the matter is we are going to have millions of people dead or dying of AIDS in the next decade, and we are not doing anything to really get a handle on this situation.

Mr. Speaker, we need a routine testing program for the people of this country. The only way we are going to find out how AIDS is being spread, where it is spreading most rapidly, and who is spreading it is for us to have a routine annual testing program for everyone in the country. We have to do that if we are to keep this epidemic from increasing at an exponential rate until we have 20 million or 30 million people dead or dying in this country.

We have no idea how many people are infected with the disease today. There are many people that think it is transmitted in ways that have not yet been admitted to by the CDC. Those things need to be uncovered. We need to find that out, and we are not going to be able to find it out until we have a testing program.

I hope Members will listen to these figures one more time. There has been more than a doubling of the number of AIDS cases in the last 2 years, and it appears as though that trend is going to continue. We are going to see a 50-percent increase, in my view, every year into the foreseeable future. That means a doubling every 2 years, and that means millions of people are going to be dead or dying, and we still do not know all the ways it is spreading, where it is spreading, or who is spreading it.

We need a routine testing program and we need it very soon, and I urge my friends and colleagues to think about this. I urge my friends and colleagues at the CDC and the HHS to get down to brass tacks and come up with a program we can all live with which will test this country, and get this epidemic under control.

Mr. Speaker, I yield back the balance of my time.

THE OLIVER NORTH TRIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. McEWEN] is recognized for 60 minutes.

Mr. McEWEN. Mr. Speaker, I rise to express my interest also as one who was privileged to serve on the Permanent Select Committee on Intelligence during the time that the Oliver North issue was being played out, and now that the court has made its decision I think it is appropriate for those of us who were reluctant to speak publically before to now discuss the facts. Those are that under the charges as handed down by the court today on the issue of Mr. North, on the question as to whether or not he lied to the Congress, whether or not he obstructed justice, on every one of those counts, as was pointed out by the gentleman from California [Mr. DORNAN] a moment ago, on each one of those counts he was found not guilty.

I think that now that this charade has come to an end it is high time that the Congress move on to other responsibilities. As I mentioned moments ago, the head of the Iran-Contra hearings said at the close of those hearings, that extravaganza that cost millions of dollars and hundreds of hours of public testimony, the chairman of that committee announced at the conclusion that "they had not accomplished what they hoped they could accomplish."

I would not be one to judge what it was they wanted to accomplish, but many of us questioned as to whether or not it was not of a criminal nature, but perhaps more of a political nature. Now that we have seen the end of the criminal trial, I think it is appropriate to apply the same epitaph that they did not accomplish what they had hoped to accomplish. Indeed, the goal was to somehow come to the conclusion that the President of the United States, and through his subordinates had subverted the will of the Congress and the American people, that they had obstructed justice and that they had lied, that they had lied to the Congress. On each one of those charges Mr. North, Lieutenant Colonel North who was the first one to come to trial, was found not guilty on those charges.

The instructions from the judge were that regardless of whether or not he was acting under orders, regardless of whether or not the Commander In Chief had told him to do it was not the issue. The issue that these 12 Washington, DC jurors were to consider was whether or not they had done it, whether or not he had acted at all, and they came to the conclusion that he had not acted at all to obstruct justice or to lie to the Congress.

I would think that would be sufficient evidence for any impartial observer. It certainly ought to be enough for the Congress of the United States.

The Iran-Contra hearings came to the conclusion that they could not find any action by the President that has subverted the will of the Congress or the Constitution. Having gone through that political activity, they then moved to the criminal realm and into the forum of criminal illegality and tried it there. They came to the conclusion today that there was nothing acted on there either that was of a criminal nature.

So I would urge the leaders of the Congress to move on, to proceed with the directions of the concerns of the nation and less with this political witch hunt that has now been proved politically and legally to be unfounded.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. McEWEN. I am pleased to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I believe the gentleman from Ohio was discussing with me earlier today that Judge Gesell has asked the Federal court system, told them that he wants no part of the Poindexter trial, or the trial of retired General Secord or Albert Hakim, that this is his last effort, that it will have to be some other judge to sit there and go through, regurgitate all this material. This is a man who was a graduate first in his class at Annapolis 10 years ahead of Oliver North, John Poindexter, and to think that we are going to go through all of this again I think of one phrase, I think it is fair to say that it is attempted criminalization of policy differences of how we stop communism from getting a foothold in Central America. And I think trying to find another 12 jurors, because even liberal reporters laugh that these good people, and I mean that sincerely, I am not being facetious, that these 12 people were the last 12 people inside of the beltway that never heard of the Oliver North hearings on the Senate side. How are they going to find 12 more with alternate jurors in case of people getting sick, and then find another set of 24 or 36 for a trial for Albert Hakim and for General Secord. This is actually politicizing a constitutional battle.

Ronald Reagan was a hero to me and still is, but I told him more than once to take on the War Powers Act, to take this head on, to go over it with his policy after the embarassment of these firecracker mines put in the harbor that were not designed to sink a ship but to scare them and drive up their insurance policies.

□ 1810

And that was not Ollie North's idea, in spite of what the networks put in that 4-hour silly, cockamamie soap opera called "Guts and Glory."

This should have been an overt policy. North made some mistakes but he made them way down in the chain of command and he admitted to every one of them before the world. You and I have been talking about $22.5 million. I just saw Ollie North on television. He may know of costs we do not know. He said $40 million to bring them to this point in the justice system.

Mr. McEWEN. They spent over $2.5 million for one room to interrogate Ollie North. This is a 40-year-old lieutenant colonel with 3 children, trying to make a living on those kinds of salaries, working 14 hours a day, and all the resources of the Government, the special prosecutor not accountable to the President, not accountable to the Attorney General, not accountable to the Congress of the United States, all of those resources to get one man. They wanted to try him first. They thought they had their best shot. They made up the charges. They came at him with everything that they had. Those jurors have returned their verdict today.

Mr. DORNAN of California. One fault about finding a jury, finding a jury for my very good friend and honorable friend John Poindexter, vice admiral, three stars on each shoulder; in looking for that jury they are going to have to find somebody who did not hear the jury verdicts today or hear it tonight on "Crossfire," on "Nightline," or on "Larry King," on C-SPAN, all tomorrow on 24-hour news, CNN, CNN all day long with Sally in Los Angeles tomorrow, the nice lady who is so good in the afternoon from Los Angeles. Then Sally Jesse Raphael yelling and screaming on the "Morton Downey Show," "He is guilty, he is innocent, he's guilty, he's innocent, he's guilty, he's innocent." That will go on for an hour.

Geraldo Rivera will open some hidden safe in a cellar and find new documents that President Bush did not tell us about.

How are we going to find a jury 3 weeks from now, 3 months from now when we are going to go psycho with this cover of people next week?

Mr. McEWEN. The gentleman will recall that during the discussion of this there was always a great deal of concern that they get to the bottom of the facts, "what did the President know, what was President Reagan up to?" There was such a pious discussion, where they said that was the main concern.

Now that Mr. Reagan is gone and now that Mr. North has had the decision, you will observe in each one of the public discussions of the major political leaders, the media leaders this afternoon and the reports tonight in the media, their focus centers not so much even on North anymore, certainly not on Reagan, but on President Bush, "What did President Bush know? What is he up to? Why doesn't he give a full accounting?" Finally it is time that we go back and ask for more documents and we should open up the Iran/Contra discussion to find out what President Bush knows. Anyone who has any impartiality at all, anyone who is observing this from a noninvolved status has to conclude that there is a great deal of political motivation going on here, that this is an effort to accomplish politically what they could not accomplish in a court of law or at the ballot box. As the gentleman stated so properly, this is a political question as to what kind of policy the United States will engage in in Central America with the Soviet Union. And when they have not been able to capture the White House by going to the American people, they have now tried other devious ways which have done a disservice, in my opinion, to significant dedicated Americans.

Mr. DORNAN of California. Two thoughts on the cause that brought this all about, the fight for freedom in the hills of Nicaragua by young democratic resistance freedom fighters, the so-called Contras. They are sitting in their base camps waiting until November 30 to see if the nine Members of this Chamber and the other will write letters to the President telling him that he can feed them for 3 more months. Then we do not know what is going to happen after the February 25 election in Nicaragua. But we do know this. Two thoughts people should know: The Ortega brothers and their seven cronies and that gang of thugs who have destroyed that country economically, religiously, politically, and even the beauty is disappearing, they said that the seven opposition parties—and there may be more—can only have 30 minutes a day. Now if it were six parties, the arithmetic would be simple, five 6's into 30, they are going to get 5 minutes each. But with seven, they are going to get about 4 minutes and some seconds or maybe they will get to share it and they will each get a half-hour once a week. That is it for the whole opposition. They do not get to start until 3 months on the very day that the food is cut off to the Contra freedom fighters.

Mr. McEWEN. On the state-run television which the Sandinistas control and dominate every moment, every reporter, they censor every report and dominate it 24 hours a day, now this little allocation here, this is what some people will—you will observe on February 26 some people will come to this well and say, "Now they have acted." Now the reason I took this special order today was just to go over the enactment of legislation that the Sandinistas enacted just this past week, and which Georgiane Geyer and Jeane Kirkpatrick and indeed the Washington Post editorialized on Tuesday and others have pointed out the total unfairness of it. That is what I intend to point out again tomorrow. But it gets back to exactly what the gentleman said, that they are committed to maintaining an illegal government with the support of $500 million from Qadhafi, $1.2 billion a year from the Soviet Union and Bulgaria and every left-wing anti-American regime around the world, and the question is whether or not we believe that democracy is worth helping, not defending with our soldiers at all. We certainly would not even consider that. The question is whether or not we should support democracy any place on the globe not the least of which some place 3 hours from our shores.

Mr. DORNAN of California. Let me say that Ortega is on another grand tour of Europe where even good countries, friendly nations, will have some of their ministers and parliamentarians fawn over him out of a very tragic misplaced anger at us, the rich uncle. I think it really comes down to one of the seven deadly sins, envy, jealousy of the successes of the young Nation, the United States. So they love bashing us through somebody they know they would not even give them the time of day and he would never get elected to one of the legislatures in Europe. But on his tour he pointed out to all the Europeans a few days ago that he may have moved up the election from November 1990 to February 25, 1990, but he is not moving up the inauguration date. So there will be 10½ months after the rigged election. He will watch Noriega, the drug-running dictator in Panama and see how he manipulates his election. They will watch and then duplicate that thievery probably in February on the 25th. Then for 10½ months they will laugh as they have the longest transition period in the modern Western world.

It is phenomenal, the facts that are not getting out to the American people on this cause that is not yet lost but it is getting close.

I recall Ollie North's final testimony where he said in essence, "Do what you want with me, but for God's sake don't use me as an excuse, I beg you, to destroy the cause of freedom in Central America."

I have spoken to him very infrequently over the last few months during the period of his travail, but he still tracks very carefully the suffering that goes on in Nicaragua and he still wishes more than even his own freedom that the cause of liberty not be lost in this little part of North America, down there in the isthmus between us and the canal we built.

Mr. McEWEN. The gentleman's commitment is very well respected in the Congress. The simple question is whether or not freedom is worth defending and preserving.

There are those on the other side that believe that dictatorship and tyranny should be supported. They are willing to do that. Our neighbors in Honduras, in El Salvador, Guatemala are committed to democracy. But everyone has said to the gentleman in the well just as they have said to me, the Presidents of each of these countries, that we will never have development in Central America until there is democracy in Nicaragua.

The question that we were trying to support was to raise the standard of living of those people, allow jobs, allow opportunities, provide clean water, a future for education and all the rest in that area. People will not invest when they recognize that the Honduran—pardon me—the Nicaraguan Soviet surrogate government is willing to place car bombs before any investment in their neighbors, is willing to subvert any election in El Salvador or elsewhere with threats to the people. The President of El Salvador knows that. He tells us that personally. The President of Costa Rica tells us that and the President of Guatemala tells us that.

The commitment that Mr. North and the President of the United States made was to support democracy in the region.

There are those who supported the establishment of the government in Managua under Mr. Ortega; there are those Members of the House that supported that government. There are those that took to the well and congratulated him on his successes. Naturally they are opposed to our efforts to reinstitute democracy in Nicaragua. However, I believe that the time will prove that our cause is right, it is just, and it will not fail.

Mr. DORNAN of California. If the gentleman will allow me to comment once more on point 9 or count 9 of which Ollie North was found guilty, the shredding of documents, and why a covert operation is such a dangerous thing because people's lives are on the line.

□ 1820

We were down in that area of the world just a week before I went down as a Presidentially appointed election observer in El Salvador. On the ride in from the airport on the night of March 18, one of our Embassy people said, "Congressman, were you not Jesuit-educated in high school and college?" I said I was. He said, "Well, you should know about this fine scholarly Jesuit priest, 74 years of age, Fernando Peccorrini." He said, "May I show you where he died in this street 3 days ago on March 15 at noon, a 74-year-old man, shot down with an automatic weapon?" He was a Jesuit priest that taught at Long Beach State College, probably one of the leading world experts as a former clergyman layisized properly as a leading philosopher on flaws of liberation theology, and they could not stand the trenchant, intellectual way he was writing and tearing the scales off this phenomenon of people saying they can kill in the name of Jesus, and they gunned him down in the street like a dog. It got no coverage up here. If a 75-year-old man, and he is an American citizen is the point, double citizenry of Salvadoran, and an American. If an American had been killed and they could nail it on security forces of El Salvador, it would have been a front page story 3 days before the election.

The gentleman from Ohio was at the meeting where we all listened to the President-elect, Freddie Cristiano, 3 or 4 days after they left, his attorney general is gunned down in the street in El Salvador, a few days ago, and then the house of the Vice President who sat there in front of this, Daniel Marino, his house is bombed with his children in it and one of the play friends of one of his children is hurt in this bombing over the wall of his home in El Salvador.

This is the way the left operates down there, and a lot of people in this Chamber want to turn their back and use the Ollie North travesty of justice to say we ought to let whatever take its course down there. We know it will be the long knives at night and communism unless we stay involved with small countries at the foot of the North American Continent in the isthmus.

Mr. McEWEN. That was the motivation. We cannot discuss the Ollie North difficulty without coming back to the facts, and that is who are we going to support in Central America, Soviet surrogates with hundreds of billions of aid going into the democracy right next door and subvert the countries or as Mr. Duarte told me, saying he could not sit here as a democratically elected President of El Salvador, if those freedom fighters were not at the border holding the Marxists in Managua at bay.

So that is what Ollie North was committed to, those who wanted to see the Communist regime in Nicaragua survive and expand, those who were committed to that Soviet surrogate country expanding their revolution without borders saw as their target Oliver North, who dedicated his life to preserving democracy in Central America. That is what focused their energy and gave them their drive, and as we listen to the epitaph of now this, the end of this trial, we see that we are not the least bit deterred. They are going right on to the next defender of freedom and saying, "We are going after that person, we want to bring a stop to the successful policy of democratization in Central America."

Mr. DORNAN of California. Mr. Speaker, if the gentleman would yield, I think we share something together. This is new information for me, or if you could clarify some things for me. This is a team effort around here. I get so much from the gentleman from Ohio, and I like to think sometimes I bring back a report or back from some corner of the world I visited or insight I had somewhere on the trail and we share information and rely so much on our staff, our staff people. I have a staffer that speaks Spanish that has been down there many, many times when I cannot go. Sometimes he will cover me even as unofficial election observer, Jim Skinner, who sent me some information to use on a couple of television shows where I have been invited to speak about this verdict tonight, and listen to this, "Judge Gerhard Gesell's instructions to the jury were precedent-setting in their severity. The 94 pages of instructions read to the jury by Judge Gesell conveyed the message to convict." I am not an attorney, but that is the impression I got and looked at these humble, hard-working people, eight in their thirties and one 20-year-old, listening to this. According to the New York Times and most of unbiased observers of the case, assuming the Times is unbiased, "The judge's instructions were regarded as highly significant in shaping the verdict in the complex case."

Those instructions undercut the defense's key contention that North should be acquitted because he was following orders. First, "Authorization requires clear," this is the judge's words, "Authorization requires clear, direct instructions to act at a given time and in a given way." Even as this cockamamy CBS series the other night they showed there were vague impressions given in their characterization of Admiral Poindexter. It says, "Contrary to the Reagan management style giving subordinates general authority to achieve his policy goals." If you recall before this broke, President Reagan was on the cover of Fortune magazine as a laudatory example of good management style of how to give authority to people that have responsibility, and then just one more of about eight things, but thought I would share the first two, its says second, "There was enormous pressure on the jury to convict regardless of the facts." Think of the pressure on the jury, $40 million spent by the U.S. Congress in direct expenses designed to convict Oliver North, the media pressure, simultaneous docu-drama, Sunday and Tuesday, special prosecutor, IRS. There have been IRS people, a handful of them, a covey of them, a pride of them, doing nothing, not auditing any person except tracking Ollie's whole life. Everything where they were involved he was found not guilty, thumbs up. The Department of Justice, all Government agencies involved directly or indirectly, not to mention all the politicians publicly advocating a conviction. If there is an American in this country that wants Ollie North to go to jail, a man with two Purple Hearts, a Silver Star, as his father was awarded one of the highest medals for valor in battle, the intervention of the *Achille Lauro* hijackers, killers of the 69-year-old gentleman in a wheelchair, Leon Klinghofer, who the Italians let go, the President of Egypt was not forthcoming with the truth and played with the truth about whether they had left Egypt, release of David Jacobsen, who called me on the car phone saying he prayed for Ollie and says he feels he was released because of him, the release of Father Jenco and a mastermind of the Grenada rescue mission, I mean, well, as one of my young staffers said, "We give amnesty to draft dodgers and take a combat-hardened decorated Marine lieutenant colonel trying to do the best he can to fight for liberty and try to put this man in jail."

Mr. McEWEN. I think it is appropriate now to focus on the future, and I want to, all Members, to be acutely aware of those who have led the charge for the Iran-Contra hearings, for the prosecutor and for those that have been so vocal in their condemnation of Lieutenant Colonel North, to now see what their next statements are, and I submit that a significant number of them will continue their political attack, because their motivation was far more political than they were criminal, that the true motivation is to see a successful Communist regime in Nicaragua, and there are many Members in this House, and the gentleman from California and I are among them, that will do all within our power as long as we breathe and serve in public office to see democracy is given a chance in Central America, no matter how many good soldiers they attempt to destroy, that our cause is right, our cause is just and our cause will prevail.

COMMUNICATION FROM THE HONORABLE DON RITTER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable DON RITTER:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 4, 1989.

Hon. JIM WRIGHT,
H204 Capitol,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you that I have been called to testify at a criminal trial now pending in the United States District Court for the Eastern District of Pennsylvania.

After consultation with the General Counsel to the Clerk of the House, I have determined that my testimony is consistent with the privileges and precedents of the House.

Because my testimony will be required on Tuesday, May 9, 1989, I will be necessarily absent from the House on that day.

Thank you in advance for your consideration of this matter.

Sincerely,

DON RITTER,
Member of Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PARKER (at the request of Mr. FOLEY) for today after 1 p.m. on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DREIER of California) to revise and extend their remarks and include extraneous material:)

Mr. DREIER of California, for 5 minutes, today.

Mr. MCCOLLUM, for 5 minutes, today.

Mrs. BENTLEY, for 60 minutes, on May 9 and 10.

(The following Members (at the request of Mr. HOAGLAND) to revise and extend their remarks and include extraneous material:)

Ms. LONG, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. RANGEL, for 5 minutes, today.

Mr. SKELTON, for 60 minutes, on May 11.

Mr. OWENS of New York, for 60 minutes, on May 8, 9, 10, and 11.

(The following Member (at the request of Mr. ANTHONY) to revise and extend his remarks and include extraneous material:)

Mr. GONZALEZ, for 60 minutes, on May 8.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DORNAN of California, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BURTON of Indiana, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER of California) and to include extraneous matter:)

Mr. PORTER.
Mr. GREEN.
Mr. MCCANDLESS.
Mr. BROWN of Colorado.
Mr. DREIER of California.
Mr. MILLER of Ohio in three instances.
Mr. RINALDO.
Mr. SCHAEFER.
Mr. LEWIS of Florida.
Mr. LIGHTFOOT in two instances.
Mr. BLILEY.
Mr. STANGELAND.
Mr. ROWLAND of Connecticut.
Mr. BUNNING.
Mr. GILLMOR.
Mr. LAGOMARSINO in two instances.
Mr. WALSH.
Mr. SMITH of New Jersey.
Mr. BEREUTER.
Mr. HOLLOWAY.
Mr. MADIGAN.
Mr. DAVIS in two instances.
Mr. SUNDQUIST.
Mr. HORTON.
Mr. BURTON of Indiana.
Mr. SHUMWAY.

(The following Members (at the request of Mr. HOAGLAND) and to include extraneous matter.)

Mr. DARDEN.
Mr. TALLON.
Mr. SMITH of Florida.
Mr. DOWNEY.
Mrs. KENNELLY.
Mr. HAWKINS.
Mr. STALLINGS.
Mr. MORRISON.
Mr. MATSUI in two instances.
Mr. YATRON.
Mr. CARDIN.
Mr. HOYER.
Mr. DYSON.

Mr. ROYBAL.
Mr. RANGEL.
Mr. HALL of Ohio.
Ms. OAKAR.
Mr. GEPHARDT.
Mr. TORRICELLI.
Mr. PEPPER.
Mr. DORGAN of North Dakota.

ADJOURNMENT

Mr. McEWEN. Mr. Speaker, I move that the House do now adjourn.

There motion was agreed to; accordingly (at 6 o'clock and 30 minutes p.m.) under its previous order, the House adjourned until Monday, May 8, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1120. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to increase the rates of basic pay, basic allowance for quarters, and basic allowance for subsistence for members of the uniformed services; to the Committee on Armed Services.

1121. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting the 17th annual report of the activities of the Commission covering the period October 1, 1987 through September 30, 1988, pursuant to 20 U.S.C. 1504; to the Committee on Education and Labor.

1122. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the National Telecommunications and Information Administration for fiscal years 1990 and 1991, pursuant to 31 U.S.C. 1110; to the Committee on Energy and Commerce.

1123. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting the Department's quarterly report concerning human rights activities in Ethiopia, covering the period January 15, 1989-April 14, 1989, pursuant to Public Law 100-456, section 1310(c) (102 Stat. 2065); to the Committee on Foreign Affairs.

1124. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting the semiannual reports for the period April 1988-September 1988 listing voluntary contributions by the United States to international organizations, pursuant to 22 U.S.C. 2226(b)(1); to the Committee on Foreign Affairs.

1125. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original reports of political contributions by Chic Hecht, of Nevada, Ambassador Extraordinary and Plenipotentiary-designate to the Bahamas; Joseph Zappala, of Florida, Ambassador Extraordinary and Plenipotentiary-designate to Spain, and Thomas M.T. Niles, of the District of Columbia, U.S. Representative-designate to the European Communities, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1126. A letter from the Inspector General, Department of Health and Human Services, transmitting the semiannual report of his office for the period October 1, 1988, through March 31, 1989, pursuant to 42 U.S.C. 3524(a); to the Committee on Government Operations.

1127. A letter from the Secretary, Naval Sea Cadet Corps, transmitting the annual audit report of the corps for the year ended December 31, 1988, pursuant to 36 U.S.C. 1101(39), 1103; to the Committee on the Judiciary.

1128. A letter from the Acting Secretary of the Air Force, transmitting notification of the waiver of the monetary set-aside for technology transfers and the reasons therefor, pursuant to 15 U.S.C. 3710(b); to the Committee on Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on the Judiciary. H.R. 972. A bill to amend section 3724 of title 31, United States Code, to increase the authority of the Attorney General to settle claims for damages resulting from law enforcement activities of the Department of Justice; with an amendment (Rept. No. 101-46). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHLERT (for himself, Mr. RIDGE, Mr. SMITH of Vermont, Mr. MARTIN of New York, Ms. SLAUGHTER of New York Mr. WALSH, and Mr. McHUGH):

H.R. 2228. A bill to amend the Agricultural Act of 1949 to modify the operation of the price support program applicable to milk; to the Committee on Agriculture.

By Mr. DAVIS (by request):

H.R. 2229. A bill to authorize appropriations for the fiscal years 1990 and 1991 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROOKS:

H.R. 2230. A bill to authorize the several States and the District of Columbia to impose certain taxes with respect to sales of tangible personal property by nonresident persons who solicit such sales; to the Committee on the Judiciary.

By Mr. DORGAN of North Dakota:

H.R. 2231. A bill to establish in the Department of Labor a Federal Boxing Commission to prescribe and enforce fair labor standards applicable to the conduct of professional boxing and to impose certain other requirements relating to professional boxing, and for other purposes; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. GLICKMAN (for himself, Mr. MARLENEE, Mr. DYSON, Mr. ENGLISH, Mr. JONTZ, Mr. SARPALIUS, Mr. VOLKMER, Mr. DORGAN of North Dakota, and Mr. WATKINS):

H.R. 2232. A bill entitled, "Disaster Assistance Act of 1989;" to the Committee on Agriculture.

By Mr. GREEN:

H.R. 2233. A bill to amend the Internal Revenue Code of 1986 to increase the gasoline tax for purposes of providing additional revenues for the mass transit account in the highway trust fund and for purposes of reducing the deficit; to the Committee on Ways and Means.

By Mr. HALL of Ohio (for himself, Mr. THOMAS A. LUKEN, Mrs. ROUKEMA, Mr. SCHEUER, Mr. WALGREN, and Mr. WISE):

H.R. 2234. A bill requiring the development of hazardous materials emergency response procedures, prohibiting the transportation of hazardous materials in certain obsolete railroad tank cars, and requiring a study of railroad tank car design procedures; to the Committee on Energy and Commerce.

By Mr. HAWKINS (for himself, Mr. BUSTAMANTE, Mr. CLAY, Mrs. COLLINS, Mr. CONYERS, Mr. DELLUMS, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FUSTER, Mr. HAYES of Illinois, Mr. KILDEE, Mr. MARTINEZ, Mr. MFUME, Mr. MURPHY, Mr. OWENS of New York, Mr. PAYNE of New Jersey, Mr. PERKINS, Mr. RAHALL, Mr. RICHARDSON, Mr. ROYBAL, Mr. SAWYER, Mr. VISCLOSKY, and Mrs. SCHROEDER):

H.R. 2235. A bill to create a more competitive and diverse workforce and to increase the productivity of American labor in the 21st century by establishing an adequate data base, enhancing administrative procedures, and facilitating educational progress, and for other purposes; to the Committee on Education and Labor.

By Mr. HERGER:

H.R. 2236. A bill to provide relief to State and local governments from Federal regulation; jointly, to the Committees on Government Operations, the Judiciary, and Rules.

By Mr. HOLLOWAY:

H.R. 2237. A bill to amend chapter 34 of title 38, United States Code, with respect to the time period during which benefits under such chapter may be utilized by certain eligible veterans; to the Committee on Veterans' Affairs.

By Ms. KAPTUR:

H.R. 2238. A bill to amend the Older Americans Act of 1965 to authorize demonstration projects to provide innovative volunteer opportunities to older individuals to provide nursing aide services to residents of nursing homes; to the Committee on Education and Labor.

By Mr. KASICH:

H.R. 2239. A bill to amend title 10, United States Code, to improve program stability of major defense acquisition programs by establishing new congressional authorization procedures and improving cost schedule and performance control; to the Committee on Armed Services.

By Mr. KOLTER:

H.R. 2240. A bill relating to the negotiation of voluntary restraint agreements covering imported stainless steel and alloy tool steel products; to the Committee on Ways and Means.

By Mr. LEWIS of Florida (for himself, Mr. VALENTINE, Mr. WALKER, Mr. BROWN of California, Mr. SENSENBRENNER, Mr. PACKARD, Mr. HAYES of Louisiana, Mr. PERKINS, Mr. JOHNSTON of Florida, Mr. ROHRABACHER, and Mr. GLICKMAN):

H.R. 2241. A bill to establish a National Aero-Space Plane Program under the joint control of the Department of Defense and the National Aeronautics and Space Administration; jointly, to the Committees on Armed Services and Science, Space, and Technology.

By Mr. MANTON (for himself, and Mr. LENT):

H.R. 2242. A bill to amend title 46, United States Code, to direct the Secretary of the Department in which the Coast Guard is operating to review criminal records of individuals applying for seamen licenses and license renewals; to the Committee on Merchant Marine and Fisheries.

By Mr. MATSUI:

H.R. 2243. A bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes; to the Committee on Ways and Means.

By Mrs. MEYERS of Kansas:

H.R. 2244. A bill to establish a grant program for States to enable such States to expand the choices available for the provision of affordable child care, and for other purposes; to the Committees on Education and Labor and Ways and Means.

By Mr. MOORHEAD:

H.R. 2245. A bill to amend section 627 of the Tariff Act of 1930 to require customs officers to verify the identification numbers of vehicles before the vehicles are exported; to the Committee on Ways and Means.

By Mr. OBEY (for himself and Mr. KASTENMEIER):

H.R. 2246. A bill to amend the Social Security Act and the Public Health Services Act to make certain modifications in the medicare program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PEPPER:

H.R. 2247. A bill to prohibit consideration of legislation reducing Social Security benefits, to amend the Social Security Act to establish an independent Social Security Administration, to restore the full Social Security lump sum death benefit, to end the taxation of Social Security benefits, to repeal the Social Security earnings test, and for other purposes; jointly, to the Committees on Ways and Means and Rules.

By Mr. PEPPER (for himself, Mr. DE LUGO, Mr. FAUNTROY, Mr. FASCELL, Mr. LEHMAN of Florida, Mr. ACKERMAN, Mr. OWENS of New York, and Mr. ATKINS)

H.R. 2248. A bill to provide reimbursement to States and political subdivisions for expenses associated with the provision of certain public assistance to aliens; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 2249. A bill to extend for 5 years the existing suspension of duty on triallate; to the Committee on Ways and Means.

By Mr. RIDGE:

H.R. 2250. A bill to suspend temporarily the duty on chlorinated synthetic rubber; to the Committee on Ways and Means.

By Mr. SARPALIUS (for himself and Mr. STENHOLM):

H.R. 2251. A bill entitled "Disaster Assistance Act of 1989;" to the Committee on Agriculture.

By Mr. SCHIFF:

H.R. 2252. A bill to authorize the Secretary of Energy to establish a Center for National Security and Arms Control at Sandia National Laboratories in Albuquerque, NM; to the Committee on Armed Services.

By Mr. SCHUMER:

H.R. 2253. A bill to award a congressional gold medal to George Mantello; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SHAYS (for himself, Mr. GEJDENSON, Mrs. JOHNSON of Connecticut, Mrs. KENNELLY, Mr. MORRISON of Connecticut, and Mr. ROWLAND of Connecticut):

H.R. 2254. A bill to amend the Occupational Safety and Health Act of 1970 to establish an Office of Construction, Safety, Health, and Education within OSHA, to improve inspections, investigations, reporting, and recordkeeping in the construction industry, to require certain construction contractors to establish construction safety and health programs and onsite plans and appoint construction safety specialists, and for other purposes; to the Committee on Education and Labor.

By Mr. SHUMWAY (for himself, Mr. DAVIS, and Mr. YOUNG of Alaska):

H.R. 2255. A bill to fulfill the Secretary of Commerce's natural resource trustee responsibility, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SOLOMON:

H.R. 2256. A bill to prohibit the export of satellites intended for launch from launch vehicles owned by the Soviet Union; to the Committee on Foreign Affairs.

By Mr. STALLINGS (for himself, Mr. ROBERT F. SMITH, Mr. CRAIG, Mr. MARLENEE, Mr. MARTIN of New York, Mr. HATCHER, Mr. VANDER JAGT, Mr. COELHO, Mr. PENNY, Mr. DENNY SMITH, Mr. CAMPBELL of Colorado, and Mr. JOHNSON of South Dakota):

H.R. 2257. A bill to amend the Potato Research and Promotion Act to provide improved methods of assessment that will finance a more effective marketing research and promotion program and provide for a more effective consumer information program designed to expand markets for potatoes; to the Committee on Agriculture.

By Mr. STANGELAND (for himself, Mr. MADIGAN, Mr. HAMMERSCHMIDT, Mr. BILIRAKIS, Mr. EMERSON, Mr. ESPY, Mr. GLICKMAN, Mr. GRANDY, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HATCHER, Mr. HUCKABY, Mr. HERGER, Mr. JOHNSON of South Dakota, Mr. KOLTER, Mr. LANCASTER, Mr. LEWIS of Florida, Mr. MCEWEN, Mr. SCHUETTE Mr. STALLINGS, Mr. TALLON, Mr. UPTON, and Mr. OLIN):

H.R. 2258. A bill to minimize the impact of agricultural nitrogen on ground water and surface water quality by establishing a national task force on agricultural best management practices and to amend section 319 of the Clean Water Act); jointly to the Committees on Agriculture and Public Works and Transportation.

By Mr. STENHOLM (for himself, Mr. STANGELAND, Mr. VALENTINE, Mr. BARTLETT, Mr. DICKINSON, Mr. DELAY, Mr. ARCHER, Mr. ARMEY, Mr. BALLENGER, Mr. BARNARD, Mr. BARTON of Texas, Mr. BEREUTER, Mr. BLAZ, Mr. BLILEY, Mr. BROOMFIELD, Mr. BROWN of Colorado, Mr. BUECHNER, Mr. BUNNING, Mrs. BYRON, Mr. CALLAHAN, Mr. COBLE, Mr. COMBEST, Mr. CRAIG, Mr. CRANE, Mr. DANNEMEYER, Mr. DORNAN of California, Mr. DREIER of California, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. FAWELL, Mr. FRENZEL, Mr. GALLEGLY, Mr. GINGRICH, Mr. GOODLING, Mr. GRANDY, Mr. GRANT, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HEFNER, Mr. HENRY, Mr. HERGER, Mr. HOPKINS, Mr. HUCKABY, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. IRELAND, Mr. JENKINS, Mr. JONES of North Carolina, Mr. KOLBE, Mr. KYL, Mr. LANCASTER, Mr. LEATH of Texas, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mr. LOWERY of California, Mr. DONALD E. LUKENS, Mr. MADIGAN, Mr. MCCANDLESS, Mr. MCCURDY, Mr. MCMILLAN of North Carolina, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. NIELSON of Utah, Mr. OLIN, Mr. OXLEY, Mr. PACKARD, Mr. PORTER, Mr. RAVENEL, Mr. RAY, Mr. RHODES, Mr. ROBERTS, Mr. ROGERS, Mr. SCHUETTE, Mr. SHAW, Mr. SHUMWAY, Mr. SKEEN, Mr. SLAUGHTER of Virginia, Mr. SMITH of Texas, Mr. SMITH of Mississippi, Mr. SMITH of New Hampshire, Mr. ROBERT F. SMITH, Mrs. SMITH of Nebraska, Mr. STUMP, Mr. SUNDQUIST, Mr. TAUKE, Mr. TAUZIN, Mr. UPTON, Mr. VANDER JAGT, Mrs. VUCANOVICH, Mr. WALKER, and Mr. WOLF):

H.R. 2259. A bill to amend the Davis-Bacon Act and the Copeland Act to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, clarify the definition of prevailing wage, and for other purposes; to the Committee on Education and Labor.

By Mr. TANNER:

H.R. 2260. A bill to improve the highway bridge replacement and rehabilitation program; to the Committee on Public Works and Transportation.

By Mr. WATKINS:

H.R. 2261. A bill to reserve one-third of the amounts provided for housing rehabilitation loans for rehabilitation of properties in rural areas; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WYDEN:

H.R. 2262. A bill to amend the Housing and Community Development Act of 1987 to make eligible for Nehemiah housing opportunity grants neighborhoods with contiguous blocks that contain vacant or unimproved lots; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEPPER (for himself, Mr. ROYBAL, and Mr. COELHO):

H.R. 2263. A bill to amend title XVIII of the Social Security Act to provide protection against expenses of long-term home care under the Medicare Program; jointly to the Committees on Ways and Means, Energy and Commerce.

By Mr. BUSTAMANTE (for himself, Mr. DE LA GARZA, Mr. GONZALEZ, and Mr. SMITH of Texas):

H.J. Res. 259. Joint resolution designating May 1989, as "Karate Kids Just Say No to Drugs Month;" to the Committee on Post Office and Civil Service.

By Mr. GEPHARDT (for himself, Mr. GRAY, Mrs. BENTLEY, Mr. LIPINSKI, Mr. ROYBAL, Mr. LAGOMARSINO, Mr. MCHUGH, Mr. MRAZEK, Mr. LEVIN of Michigan, Mr. ROE, Mr. TRAFICANT, Mr. DYMALLY, Mr. LEHMAN of Florida, Mr. MATSUI, Mr. STARK, Mr. KOSTMAYER, Mr. MOAKLEY, Mr.

DAVIS, Mr. WILSON, Mr. ENGLISH, Mr. DEFAZIO, Mr. KASICH, Mr. GUARINI, Mr. SABO, Mr. KILDEE, Mr. COELHO, Mr. SKELTON, Mr. KOLTER, Mr. MONTGOMERY, Mr. FOLEY, Mr. FAUNTROY, Mr. MCNULTY, Mr. TAUKE, Mr. BENNETT, Mr. HORTON, Mr. GUNDERSON, Mr. HUGHES, Mrs. COLLINS, Mr. FAZIO, Mr. SCHAEFER, Mr. RAHALL, Mr. WALSH, Mr. RANGEL, Mr. FRANK, Mr. VOLKMER, Mr. VENTO, Mr. NOWAK, Mr. FLORIO, Mr. DONNELLY, Mr. OWENS of New York, Mrs. BOXER, Mr. MILLER of California, Mr. ERDREICH, Ms. OAKAR, Mr. SAVAGE, Mr. HATCHER, Mr. GARCIA, Mr. PAXON, Mr. FISH, Mr. FALEOMAVAEGA, Mr. KLECZKA, Mr. MARTINEZ, Mr. TOWNS, Mr. EVANS, Mr. DWYER of New Jersey, Mr. BONIOR, and Mr. BARTLETT):

H.J. Res. 260. Joint resolution designating the week of May 29, through June 4, 1989, as "National Polio Awareness Week;" to the Committee on Post Office and Civil Service.

By Mr. OBEY (for himself, Mr. ROTH, Mr. PETRI, Mr. KLECZKA, Mr. ASPIN, Mr. GUNDERSON, Mr. MOODY, and Mr. SENSENBRENNER):

H.J. Res. 261. Joint resolution to provide for the interpretation and implementation of certain provisions of the 1837 and 1842 treaties with the Chippewa Indians of Wisconsin and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FEIGHAN (for himself, Mr. WOLPE, Mr. TORRICELLI, Mr. KOSTMAYER, Mr. WEISS, Mr. BERMAN, Mr. ACKERMAN, Mr. SOLARZ, Mr. OWENS of Utah, Mr. LEVINE of California, Mr. SMITH of Florida, Mr. LANTOS, Mr. ATKINS, Mr. FRANK, Mr. SCHEUER, Mr. BURTON of Indiana, Mr. OWENS of New York, Mr. FAUNTROY, Mr. BUSTAMANTE, Mr. BORSKI, Mr. FOGLIETTA, Mr. SAXTON, Mr. LEHMAN of Florida, Mr. CARDIN, Mr. DEFAZIO, Mr. SAWYER, Ms. PELOSI, Mr. BONIOR, Mr. COURTER, Mr. WAXMAN, Mr. DURBIN, Mr. DORNAN of California, Mrs. BOXER, Mr. FAZIO, Mr. SPRATT, Mr. LEVIN of Michigan, Mr. PANETTA, Mr. LAFALCE, Mr. FROST, and Mr. FISH):

H. Con. Res. 108. Concurrent resolution expressing the sense of the Congress that the Vatican should recognize the State of Israel and should establish diplomatic relations with that country; to the Committee on Foreign Affairs.

By Mr. ROHRABACHER (for himself, Mr. WILSON, Mr. COX, Mr. DREIER of California, Mr. MCEWEN, Mr. MCCOLLUM, Mrs. BENTLEY, Mr. DONALD E. LUKENS, Mr. KYL, Mr. CRANE, Mr. DOUGLAS, Mr. HUNTER, Mr. HANCOCK, Mr. RITTER, Mr. PAXON, Mr. GOSS, Mr. HERGER, Mr. ARMEY, and Mr. BARTON of Texas):

H. Con. Res. 109. Concurrent resolution to express the sense of the Congress that the Soviet Union has the ability and the obligation to prevent the use of chemical warfare against the Afghan resistance and that the United States should respond to any such use of chemical weapons by reducing diplomatic and economic cooperation with the Soviet Union; to the Committee on Foreign Affairs.

By Mr. STAGGERS:

H. Con. Res. 110. Concurrent resolution establishing the Ad Hoc Joint Committee on Labor Relations for the Capitol Police; jointly, to the Committees on Rules and House Administration.

By Mr. EDWARDS of Oklahoma:

H. Res. 148. Resolution electing certain minority members to standing committees of the House; considered and agreed to.

By Mr. JOHNSON of South Dakota:

H. Res. 149. Resolution relating to gasoline price increases following the *Exxon Valdez* oil spill; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mrs. BENTLEY.

H.R. 6: Mr. HORTON, Mr. HERGER, Mrs. COLLINS, and Mr. ROWLAND of Connecticut.

H.R. 39: Mr. MATSUI.

H.R. 55: Mr. RICHARDSON, Mr. SOLOMON, Mr. BUSTAMANTE, Mr. LIVINGSTON, and Mr. FUSTER.

H.R. 92: Mr. BROWN of California, Mr. FRANK, Mr. GARCIA, and Mr. PARRIS.

H.R. 211: Mr. ROWLAND of Connecticut, Mr. EMERSON, Mr. EVANS, and Mr. TANNER.

H.R. 215: Mr. RUSSO, Mr. SPENCE, and Mr. DIXON.

H.R. 217: Mr. MAVROULES.

H.R. 303: Mr. SUNDQUIST, Mr. GARCIA, Mr. SCHUETTE, Mr. JACOBS, Mr. ROBERTS, and Mr. GEKAS.

H.R. 373: Mr. MRAZEK, Mr. DENNY SMITH, and Mr. TAUKE.

H.R. 446: Mr. GLICKMAN.

H.R. 494: Mr. DREIER of California.

H.R. 496: Mr. SLATTERY.

H.R. 500: Mr. SAVAGE, Mr. MARTINEZ, Mr. PRICE, Mr. SHAYS, Mr. HOUGHTON, Mr. BONIOR, Ms. KAPTUR, and Mr. OWENS of Utah.

H.R. 505: Mr. PAXON, Mr. GILMAN, Mr. HOUGHTON, Mr. JONTZ, Mr. FALEOMAVAEGA, Mr. OBEY, Mr. PARRIS, Mr. TORRICELLI, Mr. MCGRATH, Mr. NIELSON of Utah, Mr. BROOMFIELD, Ms. OAKAR, Mr. NAGLE, Mr. LANTOS, Mr. MILLER of California, Mr. ANDREWS, Mr. BRYANT, Mr. HARRIS, Mr. HANCOCK, Mr. FEIGHAN, Mr. PARKER, Mr. LEHMAN of Florida, Mr. MINETA, Mr. DOUGLAS, Mr. BILIRAKIS, Mr. WYDEN, Mr. SKAGGS, Mr. BENNETT, Mr. SPRATT, Mr. LEVINE of California, Mr. WILLIAMS, Mr. LELAND, Mr. LEATH of Texas, Mr. ROBINSON, Mr. BROWN of Colorado, Mr. BORSKI, Mr. ROGERS, Mr. BOSCO, Mr. LEWIS of Georgia, Mr. RAHALL, Mr. MOLLOHAN, Mr. PACKARD, Mr. GEJDENSON, Mr. JOHNSON of South Dakota, Mr. WISE, Mr. LAUGHLIN, Mr. SARPALIUS, Mr. WEBER, Mr. WHITTEN, Mr. MCCURDY, Mr. WHEAT, Mr. FIELDS, Mr. CARDIN, Mr. DARDEN, Mr. SMITH of Mississippi, Mr. MCCLOSKEY, Mr. CHAPMAN, Mr. STAGGERS, Mr. INHOFE, Mr. ASPIN, Mr. CRAIG, Mrs. JOHNSON of Connecticut, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mr. ROBERTS, Mr. SCHIFF, Ms. SCHNEIDER, Mr. TAUZIN, and Mrs. UNSOELD.

H.R. 551: Mr. DENNY SMITH.

H.R. 578: Mr. MANTON.

H.R. 586: Mr. MARTINEZ.

H.R. 673: Mr. KOLTER, Mr. GILMAN, and Mr. BRYANT.

H.R. 705: Mrs. LOWEY of New York.

H.R. 755: Mr. DENNY SMITH and Mr. BUECHNER.

H.R. 796: Mr. PEPPER, Mr. SPENCE, Mr. SMITH of Mississippi, Mr. RITTER, Mr. BOEHLERT, Mr. JONES of Georgia, Mr. WOLF, Mr. HARRIS, Mr. BENNETT, Mr. DWYER of New Jersey, Mr. BUSTAMANTE, Mr. HALL of Ohio, Mr. BUNNING, Mr. SMITH of Texas, Mr. MOLLOHAN, Mr. LANCASTER, Mr. HASTERT, and Mr. RHODES.

H.R. 815: Mr. OWENS of New York, Mr. ENGEL, and Mr. MFUME.

H.R. 831: Mr. TALLON.

H.R. 876: Mr. SANGMEISTER, Mr. LANTOS, Mr. PICKETT, Mr. SOLARZ, Mr. COOPER, Mr. HALL of Ohio, and Mr. ROWLAND of Georgia.

H.R. 930: Mr. LELAND and Mr. DWYER of New Jersey.

H.R. 957: Mr. STAGGERS, Ms. PELOSI, and Mr. HOCHBRUECKNER.

H.R. 961: Mr. HOYER, Mr. DYMALLY, Mr. LEWIS of Georgia, Mr. UDALL, Mr. DORNAN of Californa, Mr. ROE, Mr. FAUNTROY, Mr. SWIFT, Mr. ACKERMAN, Mr. DENNY SMITH, Mr. TALLON, Mrs. COLLINS, Mr. SISISKY, Mr. GARCIA, Mr. MRAZEK, Mrs. ROUKEMA, Mrs. MORELLA, Mr. PARRIS, Mr. WALGREN, Mr. RITTER, Mr. DWYER of New Jersey, Mr. SMITH of New Jersey, and Mr. DANNEMEYER.

H.R. 966: Mr. PANETTA, Mr. TOWNS, Mr. NOWAK, and Mr. NEAL of North Carolina.

H.R. 987: Mr. BOEHLERT, Mr. WALSH, Mr. FEIGHAN, Mr. BERMAN, Mr. YATES, and Mrs. LOWEY of New York.

H.R. 1005: Mr. LELAND, Mr. COSTELLO, Mr. PARKER, Mr. MAZZOLI, and Mrs. UNSOELD.

H.R. 1067: Mr. CRANE, Mr. BATES, Mr. MORRISON of Connecticut, Mr. BRYANT, and Mr. BALLENGER.

H.R. 1074: Mr. MACHTLEY, Mr. HERTEL, Mr. OWENS of Utah, Mr. TAUKE, Mr. MCNULTY, Mr. MCCURDY, Mr. BLAZ, Mr. TANNER, Mrs. VUCANOVICH, Mr. ENGEL, Mr. GOSS, and Mr. JOHNSON of South Dakota.

H.R. 1093: Mr. DYMALLY, Mr. BATES, Mr. DE LUGO, Mr. DEFAZIO, Mr. WEISS, Mr. LIPINSKI, and Mr. STAGGERS.

H.R. 1112: Mr. DEFAZIO and Mr. OWENS of Utah.

H.R. 1150: Mrs. MARTIN of Illinois.

H.R. 1180: Mrs. BOXER and Ms. SCHNEIDER.

H.R. 1190: Mrs. SCHROEDER.

H.R. 1243: Mr. HENRY, Mr. MARTINEZ, Mrs. BYRON, Mr. BARNARD, Mr. HALL of Texas, Ms. KAPTUR, Mr. ROBINSON, Mr. TAUZIN, Mr. PARKER, Mr. HAYES of Louisiana, Mr. HEFNER, Mr. STUMP, and Mr. MONTGOMERY.

H.R. 1272: Mr. AUCOIN, Mr. EVANS, Mr. UPTON, Mr. DAVIS, and Mrs. MEYERS of Kansas.

H.R. 1295: Mr. SKEEN.

H.R. 1383: Mr. APPLEGATE.

H.R. 1406: Mr. LAGOMARSINO, Mr. HERGER, Mr. CAMPBELL of Colorado, Mr. DWYER of New Jersey, Mrs. MEYERS of Kansas, Mr. ATKINS, and Mr. DYMALLY.

H.R. 1416: Mr. HORTON, Mr. DURBIN, Mr. ARMEY, Mrs. COLLINS, Mr. SKAGGS, Mr. CLAY, Mr. SWIFT, Mr. MRAZEK, Mr. THOMAS of Georgia, Mr. MARTINEZ, Mr. JONES of Georgia, Mr. RAY, Mr. VALENTINE, Mr. LAGOMARSINO, Mr. CAMPBELL of California, Mr. WALSH, Mr. JOHNSON of South Dakota, Mr. GORDON, Mr. BUECHNER, and Mr. HOCHBRUECKNER.

H.R. 1420: Mr. TALLON.

H.R. 1429: Mr. GALLO.

H.R. 1439: Mr. ATKINS, Mr. BENNETT, Mr. DE LUGO, Mr. DONNELLY, Mr. ESPY, Mr. EVANS, Mr. HENRY, Mr. IRELAND, Mr. JOHNSON of South Dakota, Mr. JONTZ, Mr. MINETA, Mr. OBERSTAR, Mr. PEASE, Mr. RINALDO, Mrs. ROUKEMA, Mr. STANGELAND, Mr. STUDDS, and Mr. POSHARD.

H.R. 1491: Mr. SMITH of Mississippi, Mr. SUNDQUIST, Mr. DONALD E. LUKENS, Mr. LANCASTER, and Mr. DEWINE.

H.R. 1499: Mr. TAUZIN, Mr. DYSON, and Mr. HOCHBRUECKNER.

H.R. 1500: Mr. UDALL, Mr. KOSTMAYER, Mr. MILLER of California, Mr. COSTELLO, Mr. LEWIS of Georgia, Mr. DURBIN, Mr. BENNETT, Mr. BUSTAMANTE, Mr. ESPY, Mr. ROE, Mr. MORRISON of Connecticut, Mr. SCHEUER, Mr. DYMALLY, Mr. SIKORSKI, Mr. OWENS of New York, Mr. STARK, Mr. DEFAZIO, Mr. MINETA, Mr. ACKERMAN, Mr. DE LUGO, Mr. PAYNE of Virginia, Mr. TORRES, Mr. ATKINS, Mr. MARTINEZ, Mrs. COLLINS, Mr. MRAZEK, Mr. RICHARDSON, Mr. BEVILL, Mr. RAVENEL, and Mr. DELLUMS.

H.R. 1504: Mrs. PATTERSON, Mr. CLEMENT, and Mr. DELLUMS.

H.R. 1515: Mrs. VUCANOVICH.

H.R. 1526: Mr. OLIN, Mr. UPTON, and Mr. KOLTER.

H.R. 1558: Mr. COMBEST.

H.R. 1564: Mr. JOHNSON of South Dakota, Mr. BAKER, Mrs. MORELLA, Mrs. PATTERSON, Mrs. UNSOELD, Mr. PORTER, Mr. DYSON, and Mr. STALLINGS.

H.R. 1565: Mr. MATSUI.

H.R. 1573: Mr. ECKART, Mrs. JOHNSON of Connecticut, Mr. WISE, and Mr. FAUNTROY.

H.R. 1605: Mrs. LOWEY of New York, Mr. FOGLIETTA, Mr. GRAY, and Mr. LEVIN of Michigan.

H.R. 1614: Mr. LAGOMARSINO, Mr. ROYBAL, Mr. BRYANT, and Mr. PEPPER.

H.R. 1628: Mr. HAMILTON, Mr. LANTOS, Mr. ESPY, and Mrs. SCHROEDER.

H.R. 1645: Mr. DELLUMS.

H.R. 1664: Mr. MURPHY.

H.R. 1674: Mr. RAHALL, Ms. KAPTUR, Mr. FRANK, Mr. HYDE, Mr. RANGEL, Mr. HORTON, and Mr. BONIOR.

H.R. 1687: Mr. DORNAN of California.

H.R. 1699: Mr. OWENS of New York and Mr. ATKINS.

H.R. 1725: Mrs. MORELLA, Mr. ENGEL, Mr. DYMALLY, and Mr. LAFALCE.

H.R. 1730: Ms. SCHNEIDER and Mr. EVANS.

H.R. 1782: Mr. LAGOMARSINO.

H.R. 1804: Mr. ATKINS, Mr. BONIOR, Mr. CHAPMAN, Mr. DELLUMS, Mr. DE LUGO, Mr. FASCELL, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. FRANK, Mr. FUSTER, Mr. GARCIA, Mr. HEFNER, Mr. HOCHBRUECKNER, Mr. HUGHES, Mr. KOSTMAYER, Mr. LEATH of Texas, Mr. LIPINSKI, Mr. MINETA, Mr. MURPHY, Mr. PALLONE, Mr. ROE, Mr. SARPALIUS, Mr. SKELTON, Mr. SMITH of Florida, Mr. SYNAR, Mr. TRAFICANT, Mr. BENNETT, Mr. DWYER of New Jersey, Mr. FAZIO, Mr. BRYANT, Mr. OWENS of New York, and Mr. CLAY.

H.R. 1840: Mr. DONALD E LUKENS, Mr. SMITH of New Hampshire, Mr. PETRI, Mr. SCHUETTE, Mr. EMERSON, Mr. BUNNING, Mr. HYDE, Mr. UPTON, and Mr. COLEMAN of Missouri.

H.R. 1845: Mr. MCDERMOTT.

H.R. 1935: Mr. MINETA, Mr. OWENS of New York, Mr. MOODY, Mr. KILDEE, Mr. FAWELL, Mr. HAWKINS, Mr. JOHNSON of South Dakota, Mr. BATES.

H.R. 2008: Mr. GORDON, Mr. VANDER JAGT, Mr. ORTIZ, Mr. PAXON, Mr. SMITH of New Hampshire, and Mr. BROOMFIELD.

H.R. 2022: Mr. SHAYS, Mr. MCNULTY, Mr. CAMPBELL of California, Mr. SIKORSKI, Mr. LEHMAN, of Florida, and Mr. ROWLAND of Connecticut.

H.R. 2043: Mr. LEWIS of Georgia, Mr. BILBRAY, Mr. HAYES of Illinois, and Mr. FORD of Michigan.

H.R. 2049: Mr. FUSTER, Ms. SCHNEIDER, Mr. ATKINS, and Mr. LAGOMARSINO.

H.R. 2051: Mr. ATKINS, Mr. HATCHER, Mr. GORDON, and Mrs. COLLINS.

H.R. 2079: Mr. DONNELLY, and Mr. DE LUGO.

H.R. 2097: Mr. HUGHES, Mr. FLORIO, and Mr. INHOFE.

H.R. 2127: Ms. SCHNEIDER.

H.R. 2190: Mr. KOLTER, Mr. BATES, Ms. OAKAR, Mr. HILER, and Mr. FROST.

H.R. 2212: Mr. BAKER.

H.R. 2222: Mr. MRAZEK.

H.J. Res. 10: Mr. BATES, Mr. BRYANT, and Mr. FRANK.

H.J. Res. 31: Mr. Wise: Mr. Perkins, and Mr. CLEMENT.

H.J. Res. 35: Mr. EVANS, Mr. PARRIS, Mr. APPLEGATE, and Mr. PELOSI.

H.J. Res. 47: Mr. COX and Mr. RINALDO.

H.J. Res. 108: Mr. SABO, Mr. HOAGLAND, Mr. CLINGER, Mr. COOPER, Mr. SKAGGS, Mr. PARKER, Mr. HANCOCK, Mr. ENGEL, Mr. SHUMWAY, Mr. SMITH of Florida, Mr. DAVIS, Mr. FROST, Mrs. UNSOELD, Mr. ROHRABACHER, Mr. COELHO, Mr. CRAIG, Mr. DUNCAN, Mr. DEWINE, Mr. MILLER of Washington, Mr. BURTON of Indiana, Ms. OAKAR, Mr. OBERSTAR, Mr. WYDEN, Mr. STANGELAND, Mr. CLARKE, Mr. ROSE, Mr. ROBINSON, Mr. KENNEDY, Mr. FEIGHAN, Mr. BLAZ, Mr. LAFALCE, Mr. FLORIO, Mr. WOLPE, Mr. GUARINI, Mr. HAWKINS, Mr. DURBIN, Mrs. VUCANOVICH, and Mr. DELLUMS.

H.J. Res. 110: Mr. HOLLOWAY, Mr. COUGHLIN, and Mr. MCMILLAN of North Carolina.

H.J. Res. 120: Mr. AKAKA, Mr. ALEXANDER, Mr. ARCHER, Mr. BEILENSON, Mr. CARR, Mr. COELHO, Mr. DELAY, Mr. DURBIN, Mr. EDWARDS of California, Mr. GEPHARDT, Mr. GIBBONS, Mr. GRAY, Mr. JONTZ, Mr. KASTENMEIER, Mr. KENNEDY, Mrs. KENNELLY, Mr. KILDEE, Mr. MONTGOMERY, Mrs. MORELLA, Mr. NAGLE, Mr. OBERSTAR, Mr. PERKINS, Mr. PURSELL, Mr. SABO, Mr. SOLARZ, Mr. WATKINS, Mr. WAXMAN, and Mr. WEISS.

H.J. Res. 139: Mr. SAXTON.

H.J. Res. 168: Mr. LANCASTER.

H.J. Res. 236: Mrs. BOXER, Mr. CLINGER, Mr. COLEMAN of Missouri, Mrs. COLLINS, Mr. COSTELLO, Mr. EMERSON, Mr. FAWELL, Mr. FAUNTROY, Mr. FUSTER, Mr. GARCIA, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HAYES of Illinois, Mr. HEFNER, Mr. HOCHBRUECKNER, Mr. KENNEDY, Mr. KOLTER, Mr. LEHMAN of Florida, Mr. MCNULTY, Mr. MRAZEK, Mr. OBERSTAR, Mr. ORTIZ, Mr. OWENS of Utah, Mr. OWENS of New York, Mr. PACKARD, Mr. PASHAYAN, Mr. PAYNE of New Jersey, Mr. PICKETT, Mr. PEPPER, Mr. ROHRABACHER, Mr. SPRATT, Mr. NATCHER, Mr. RAVENEL, Mr. SANGMEISTER, Mr. FRENZEL, Mr. HATCHER, Mr. HUGHES, Mr. FOGLIETTA, Mr. HORTON, Mr. FAZIO, Mr. KASICH, Mr. LEVIN of Michigan, Mr. RAHALL, Mr. HANCOCK, Mr. ROE, Mr. LAGOMARSINO, Mr. MOAKLEY, Mr. WALSH, Ms. SLAUGHTER of New York, Mr. DANNEMEYER, Mr. RANGEL, Mr. BROOMFIELD, Mr. VOLKMER, Mr. MOORHEAD, Mr. GUARINI, Mr. MCGRATH, Mr. WALGREN, Mr. LIPINSKI, Mr. WOLF, Mr. LEWIS of California, Mr. LANTOS, Mr. CROCKETT, Mr. NEAL of North Carolina, and Mr. MARTINEZ.

H. Con. Res. 1: Mr. KLECZKA and Mr. YATES.

H. Con. Res. 7: Mr. HATCHER.

H. Con. Res. 45: Mr. COBLE.

H. Con. Res. 48: Mr. FORD of Tennessee.

H. Con. Res. 81: Mr. HOLLOWAY.

H. Con. Res. 85: Mr. FAZIO, Mr. RANGEL, Mr. TOWNS, Mr. SAVAGE, Mr. DYMALLY, Mr. FRANK, Mr. SMITH of Florida, Mrs. COLLINS, Mr. FAUNTROY, Mr. DE LUGO, and Mr. GARCIA.

H. Con. Res. 92: Mr. COSTELLO, Mr. WEBER, Mr. BURTON of Indiana, Mr. BUNNING, Mr. MCGRATH, Mr. HORTON, Mr. MCNULTY, Mr. PANETTA, Mr. OXLEY, Mr. BALLENGER, Mr. FUSTER, Mr. RAVENEL, Mr. TOWNS, Mr. WILSON, Mr. MADIGAN, Mr. INHOFE, Mr. SAXTON, Mr. YATRON, Mr. DONALD E. LUKENS, Mr. VOLKMER, Mr. MARTINEZ, Mrs. PATTERSON, Mr. PARKER, Mr. CHAPMAN, Mr. HUGHES, Mr. SCHAEFER, Mr. LAFALCE, Mr. CAMPBELL of California, and Mr. FIELDS.

H. Con. Res. 102: Mr. HAYES of Louisiana and Mr. IRELAND.

H. Res. 104: Ms. SCHNEIDER, Mrs. MARTIN of Illinois, Mr. ENGEL, Mr. OWENS of New York, Mr. SABO, Mr. LEVIN of Michigan, Mr. FISH, Mr. BRYANT, Mr. FORD of Tennessee, Mr. HAMILTON, Mr. BENNETT, Mr. SMITH of New Hampshire, and Mr. DERRICK.

H. Res. 106: Mr. KOLBE.

H. Res. 121: Mr. LAGOMARSINO.

H. Res. 128: Mr. COLEMAN of Texas, Mr. REGULA, Mr. FAZIO, Mr. BURTON of Indiana, Mrs. MORELLA, Mr. ROWLAND of Connecticut, Mr. PARKER, Mr. EVANS, Mr. DOWNEY, Mr. FOGLIETTA, Ms. SCHNEIDER, Mr. CARPER, Mr. BOUCHER, Mr. JOHNSTON of Florida, Mr. LEWIS of California, Mr. GRANT, Mr. DORGAN of North Dakota, Mr. MARLENEE, Mr. ATKINS, and Mr. GLICKMAN.

H. Res. 129: Mr. LANCASTER, Mr. DELLUMS, and Mr. LAGOMARSINO.

H. Res. 140: Mr. BUSTAMANTE and Mr. ATKINS.

H. Res. 141: Mr. JONES of Georgia, Mr. BERMAN, Mr. HUTTO, and Mr. PORTER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.J. Res. 216: Mr. PENNY.